



“Dalmia Bharat Limited Q1FY14 Earnings Conference Call”

August 13, 2013



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Moderator

Ladies and gentlemen, good day and welcome to the Dalmia Bharat Limited's Q1FY14 Earnings Conference Call hosted by PhillipCapital (India) Private Limited. As a reminder all participant lines will be in the listen-only mode. 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. Thank you and over to you sir.

Vaibhav Agarwal

Thank you Inba. On behalf of PhillipCapital (India) Private Limited, we welcome you to the Q1 FY14 Earnings Call of Dalmia Bharat. On the call we have with us the management team of Dalmia Bharat Limited. At this point of time I hand over the floor to Ms. Himmi Gupta – Head Investor Relations for the opening remarks which will be followed by interactive Q&A. Over to you Himmi.

Himmi Gupta

Thanks a lot Vaibhav. Good afternoon ladies and gentlemen. We welcome you all to the conference call of Quarter 1 2014. I have with me on the call Mr. Jayesh Doshi, myself Himmi Gupta and Pavleen Taneja from the Investor Relations Team. We will commence the call with comments from the management team followed by an interactive Q&A session. I would like to mention that certain statements that may be made or discussed on the conference call may be forward looking statements. The actual results may vary from these statements. The company does not offer to update them publicly to reflect the change in performance. A detailed statement in this regard is going to be available in the results presentation which we are going to share shortly. We have already shared the press release. I hope you all must have received the press release. We would now like to share the key highlights of DBL. Total income from operations was Rs. 735 crores for the period under review as against Rs. 650 crores for the corresponding quarter ending June 30, 2012 reporting an increase of 13% driven by increase in sales volume by 15%. EBITDA was lower by 24% at Rs. 130 crores in Q1 FY14 from Rs. 171 crores in Q1 FY13, while EBITDA margin reduced from 26% to 20% for the same period. The contraction in EBITDA margin was mainly on account of lower margin in the northeast operations, foreign exchange fluctuation and margin of volume and price contraction in our southern operations. There has been an increase in interest and depreciation cost. It was due to addition of northeast assets to the consolidated structure of the company, which has impacted the bottom-line for the quarter. A northeast profitability has been impacted by softening of prices on the back of surplus supply coupled together with unforeseen breakdowns of clinker unit in Meghalaya for about a month. The company has been progressing well for improving the efficiency parameters and we have been able to bring down coal procurement cost for northeast operations by about 20% during the quarter. Our efficiency enhancement in far and few has been extended to southern operations also; therein we have increased an usage of lignite which in the corresponding quarter of the previous year was around 35% which we had increased to 64% in the current quarter of financial year 2014. This has resulted in decline in variable cost per ton of southern operations by 5% YoY. The company has further implemented number of initiatives to improve product quality. We have recently launched

High Alite Low Celite, a defining element in cement. Now I am going to take you through some of the key highlights for the OCL. OCL has reported NSR of 4,666 versus 4,532 in the corresponding quarter of the previous year. The EBITDA per ton reported for OCL is 1,175 in current quarter as compared to 1667 in the corresponding quarter of the previous year. There was a flat growth in the sales volume for OCL. Currently the volumes were 0.85 million tons. Now I am going to hand over back to Vaibhav for taking to the Q&A session. Vaibhav, over to you.

- Vaibhav Agarwal** Thank you Himmi. Inba we can start the Q&A session now.
- Moderator** Sure sir. Thank you very much. Ladies & gentlemen we will now begin the question and answer session. Our first question is from Nitesh Jain of Axis Capital. Please go ahead.
- Nitesh Jain** Can you share this breakup of 15% volume growth that you delivered in Q1 like how much was in south market and how much was in other market, eastern or some other market?
- Jayesh Doshi** The volume growth was because of our northeast operation which on YoY basis was not there last year. So on south basis we are down about 3% in terms of volume, more or less flattish in south as well as in Orissa.
- Nitesh Jain** And sir would you like to share any outlook for south market in terms of volumes, like how is the demand and what you expect for the full year?
- Himmi Gupta** Currently the southern operations registered a degrowth in demand for the quarter. So we hope that backed by good monsoon the demand may improve in south market especially AP and Kerala. So AP market will see a favorable impact because the Telangana issue has got sorted out. We understand it will take some time for the things to stabilize but once the stabilization happens there is going to be an improvement in the demand.
- Jayesh Doshi** To be honest, yes I think we would like to believe that improvement would happen, but overall in the last one or two months' trend it is still in the same way where we saw it last quarter. Even if we do those state wise they are differing. The degrowth in Tamilnadu and Kerala are more so, and primarily from Kerala because of the early monsoon set in. So those kind of anomalies would get rectified and probably we can have about 3% to 4% overall increase in the market growth. That is what we would like to expect and assume looking at the current trends.
- Moderator** Our next question is from Nirbhay Mahawar of Rare Enterprises. Please go ahead.
- Nirbhay Mahawar** Just wanted to get the breakup for south and east in terms of volumes.
- Jayesh Doshi** South is 1.34 million tons and northeast was 0.27 i.e. 270,000 tons.



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Nirbhay Mahawar And you mentioned that decline in EBITDA is because of the eastern operation. So can I get the EBITDA per ton numbers also?

Jayesh Doshi Yeah, the EBITDA per ton number in east is about Rs. 800 per ton average which includes incentives and total northeast is about I think 700 odd.

Nirbhay Mahawar So if I look at the blended EBITDA per ton it comes around 750, so north and south -

Jayesh Doshi 750 is blended.

Nirbhay Mahawar So northeast and south operation will have more or less similar EBITDA per ton now? Am I right?

Jayesh Doshi Yeah.

Nirbhay Mahawar But northeast typically has got higher EBITDA, that is why you are saying that -

Jayesh Doshi Northeast certainly should be having about minimum Rs. 1500 to 2000, in between depending on the pricing. But if you see the pricing in northeast it is very-very low because of the new capacity of Star it has already put in place.

Nirbhay Mahawar So when do we see this coming, like over what timeframe you expect this to get normalized?

Jayesh Doshi I think post monsoon because now the monsoon period in northeast, post that we will have some semblance of rational pricing happening because if you see even West Bengal has Rs. 340 and if not northeast has the same pricing then which is not with a kind of terrain kind of thing, people will not get into that.

Nirbhay Mahawar Also, what is our total capacity under control and on an economic interest basis right now?

Jayesh Doshi On economic interest basis we are about 17 million tons, with full consolidation.

Nirbhay Mahawar This is post expansion?

Jayesh Doshi No. See today when we do economic interest it is only on the numbers. When we take capacity as such with a group it is 17 million tons.

Nirbhay Mahawar I think based on economic interest it is around 11.5 million ton.

Himmi Gupta 14.2 million tonnes p.a..

Nirbhay Mahawar And our volume run rate would be roughly around --

Jayesh Doshi Our capacity utilization is about 65% on an average; let us put it like that.



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- Nirbhay Mahawar** So when do we see reaching to, this is a longer term question but over a period of 3 year or 3 to 4 years do you expect it to cross 90?
- Jayesh Doshi** No, I do not think so over a period of 3 to 4 months it is expected to cross 90. Probably over a period of 3 years we would somewhere reach between 75% to 80%.
- Nirbhay Mahawar** Because we would be expanding capacity again?
- Jayesh Doshi** Yeah, we would be expanding and plus the market would also be expanding. If you see this year itself it is about 28 million tons is being getting commissioned and similarly around 20 million tons next year. I am talking about all India basis.
- Nirbhay Mahawar** And sir any thoughts on this OCL consolidation, when do we start over? What does the management's thought process on this?
- Jayesh Doshi** I think we should expect the consolidation to happen soon probably, this is not a definitive statement but we are working towards the consolidation should happen by this fiscal at least.
- Nirbhay Mahawar** Okay. And some kind of clarity on the holding structure also is going to happen during there?
- Jayesh Doshi** That will take a couple of years probably because the clarity is there, we know exactly that whenever the exit to KKR because as long as KKR is there they would prefer to have it in the unlisted space. So I think it is a culmination of all the corporate action which involves of course consolidation as the first step of OCL and collapsing of the structure of KKR. So I think it is a corporate action which we are clear that it needs to be done. We know what to do about it. The question is timing and we are clear about it. If uncertainty is there then timing is probably an issue, may be 2 years or 3 years.
- Nirbhay Mahawar** Okay. Just one last thing, so as a minority shareholder can we be sure that this cement company will not get listed and the eventual exit is going to be through the merger of that cement company?
- Jayesh Doshi** See more than telling that whether it gets listed or not it is a good question which you have asked. I would like to assure you that we will not do anything which affects the minority shareholder, whether we list it, whether we merge it, whether we collapse this or whether we merge it with something else, we will take due care and recognition in ensuring that minority shareholders are absolutely taken care of.
- Moderator** The next question is from Jinesh Gandhi of Motilal Oswal. Please go ahead.
- Jinesh Gandhi** Hi sir, I have a couple of questions on northeastern subsidiaries. You have indicated about reduction in variable cost over last couple of quarters, can you quantify about reduction in which area and -



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- Jayesh Doshi** Yes, the reduction has been in variable cost and when I say to quantify Adhunik, which was when we took over the company was about Rs. 2500 a ton is currently Rs. 2000 a ton in variable cost. As far as Calcom is concerned it was about Rs. 4500, it is around Rs. 4000 today. So we have seen substantial reduction in terms of variable cost in terms of percentages and absolute numbers but nowhere near where we would like to go when we have acquired and where we know that we will reach.
- Jinesh Gandhi** Okay. And this reduction has been largely on account of which cost heads?
- Jayesh Doshi** Efficiencies and coal cost and power cost, I mean today all the efficiencies are being monitored, being taken care of like the heat rate, the consumption rate, the usage rate and including the procurement cost.
- Jinesh Gandhi** Okay and if the cost structure starts mirroring cost structure of Dalmia southern operation that would be again driven just by the energy side of it or there are other factors as well which we are looking to -
- Jayesh Doshi** I think usually if you look at cement industry's it's a continuous process industry where energy cost if you control I think more or less it costs about 60% of the total cost. So the focus would definitely be disproportionately to variable cost primarily power and fuel. But having said that I think even fixed cost we are having a look at it. I mean we are disciplining our fixed cost in the current environment, let us put it like that.
- Jinesh Gandhi** Right. And you indicated the blended EBITDA per ton of 700 for northeastern subsidiaries -
- Jayesh Doshi** Which is just not acceptable, I mean it was probably one off quarter.
- Jinesh Gandhi** Sure. So of this 700 Calcom would be what, close to 300-350?
- Jayesh Doshi** Calcom is negative. See at this time Calcom we do not have the clinker, so we have to get the clinker, plus hardly any sales from Calcom. But let us not look at Calcom or Adhunik per se. From our perspective we should look our company as south, east and northeast. We should give it a proper flavor of what is happening across.
- Jinesh Gandhi** True. And now since they have launched our own brand in northeast what is the pricing trend with respect to the Dalmia brand vis-à-vis standalone brands of Adhunik and Calcom?
- Jayesh Doshi** No Adhunik, Calcom the brands have been withdrawn from the market absolutely.
- Jinesh Gandhi** Yeah so what would be the premium or discount?
- Jayesh Doshi** From that position you are at least Rs. 40-50 high but in a totality to the next brand we are at par with probably Lafarge or Holcim and probably Rs. 15 higher than the next guy starts.



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Jinesh Gandhi Okay. And Calcom and Adhunik would be at least Rs. 15-20 lower than -

Jayesh Doshi Calcom, Adhunik we do not have the brand.

Jinesh Gandhi No, I understand. When you acquired it, it would have been a discount to Lafarge and Holcim?

Jayesh Doshi Rs. 40-50 lower.

Jinesh Gandhi So despite this price premium just making about Rs. 700 of EBITDA per ton?

Jayesh Doshi See please understand that when we go to in a market, when we go to a higher brand you vacate a particular market which is the Adhunik and Calcom. Everything is not one plus one equal to two. Because you get into the premium brands so there is some amount of price sensitive market which does affect the overall market positioning, which I think would rectify once six more months pass out.

Jinesh Gandhi Sure, that is a gradual process.

Jayesh Doshi And more importantly for the month of June we had suffered a month shutdown in our Adhunik plant.

Jinesh Gandhi Okay, that is another problem. And as against Rs. 700 of EBITDA, what will be PAT contribution of Calcom and Adhunik in this quarter or northeast has -

Jayesh Doshi That means both are negative.

Jinesh Gandhi Okay, so of 35 crore of profit that would be what, close to about 10 odd crores loss?

Jayesh Doshi Both put together about 24 crores.

Jinesh Gandhi So effectively our south operations are close to about 32 -

Jayesh Doshi Jinesh understand one thing we are a growing company as I explained earlier we have a higher interest cost, we have depreciation cost. To really value our company looks at my EBITDA. I know as a shareholder you are supposed to look at PAT but I think you are little away from PAT valuation in terms of where we should be valued at PAT or EBITDA but the question is operationally are we doing correct things or not?

Jinesh Gandhi No, no I totally agree with you. It is just that I am trying to understand what kind of operating leverage impact does -

Jayesh Doshi On the PAT level our south operation was Rs. 22 crores of profit.



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Jinesh Gandhi And coming to our gross and net debt how it would be now?

Jayesh Doshi The net debt is about Rs. 3000 crores.

Jinesh Gandhi And this is just south plus -

Jayesh Doshi Entire, consolidated.

Jinesh Gandhi Okay, excluding OCL obviously. Okay. and gross would be?

Jayesh Doshi Gross would be 3600 crores.

Jinesh Gandhi Okay. And how much of this would be FOREX debt?

Jayesh Doshi No FOREX debt, I mean FOREX debt is payable which is LC backed as well as buyers credit which is a 6 months to one year credit. So in a way it is about 250 to 300 crores I think.

Jinesh Gandhi Okay, so this entire FOREX losses which are there which we have capitalized

Jayesh Doshi It is only on buyers' credit.

Jinesh Gandhi Okay. Then what is the reason of this fluctuation in your interest cost vis-à-vis fourth quarter there is an increase of -

Jayesh Doshi See what happens is there are two elements. That one is as per the accounting standards you have to book a part of the MTM interest cost and a part below it. And the second is the borrowings on YoY basis you have borrowed for the project loan and as well as general corporate purposes. The project loan interest has been capitalized as you are aware of it but even for general corporate purpose it is for acquisition on a YoY basis it is a first full year of looking at the quarter of interest.

Jinesh Gandhi And coming to your fuel mix for southern operations, you indicated there as an increase in fuel mix for southern operations. You indicated there is an increase in lignite usage. Can you throw more light on that?

Jayesh Doshi It is a part of our entire initiatives to try and see how variable cost can be reduced. One portion is using more of lignite in our captive power. The second would be usage of more of pet coke. So I think it is an ongoing exercise which we will continue to do to reduce cost.

Jinesh Gandhi Okay. And so effectively what would be our fuel mix now vis-à-vis last year?

Jayesh Doshi I think last year we did not use anything significant on pet coke and going forward we probably used about 20% to 25% of pet coke.



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- Jinesh Gandhi** And lignite would -
- Jayesh Doshi** Lignite would be using captive power. About 65% to 70% would be used for power, which was last year about 25% to 30%.
- Jinesh Gandhi** And balance would be imported. And lastly on the CAPEX side what would be your cash flow impact of Capex in this year and next year how much we are planning to invest?
- Jayesh Doshi** I did not get you. Because I am sure I think all of you are aware that what kind of projects which I have but if you say spent till date, on Belgaum we spent about Rs. 500 odd crores from 1342 and on Calcom and Adhunik both put together we have spent about Rs. 100 crores.
- Jinesh Gandhi** Okay, so pending would be -
- Jayesh Doshi** Pending would be 1342 minus 500 and 500 minus 100.
- Jinesh Gandhi** Okay. And how it would be, the balance spend would be between --
- Jayesh Doshi** Our debt equity is 70-30 in any case, means internal accrual so that is fully closed out and funded, I mean financial closure has already happened.
- Jinesh Gandhi** Sure, sure. No, what I meant was how spent would be split between FY14 and FY15?
- Jayesh Doshi** I think for Belgaum 80% would be FY14 and Calcom and Adhunik put together would be probably 50-50 for the balance portion.
- Jinesh Gandhi** Got it. And last question on the pricing trend which we are seeing in market now vis-à-vis 1Q any meaningful difference in price realization now vis-à-vis first quarter average?
- Jayesh Doshi** No, I think it is the same. July has been more or less same as first quarter average across our markets.
- Moderator** As there are no further questions from the participants I would now like to hand the floor back to Mr. Vaibhav Agarwal.
- Vaibhav Agarwal** Thank you Inba. Sir I have a few questions. When you are saying Rs. 700 EBITDA per ton, that is excluding OCL, right completely?
- Jayesh Doshi** Yeah.
- Vaibhav Agarwal** That is only Northeast, Meghalaya, Adhunik and Calcom?
- Jayesh Doshi** Yeah, OCL is Rs. 1200 per ton this quarter.

- Vaibhav Agarwal** I was wondering so it is completely excluding that, and sir by what time our Calcom this clinker line is it on track?
- Jayesh Doshi** Yeah, it is on track. I think by May 2014 we should have a clinkerisation in Calcom.
- Vaibhav Agarwal** And sir our OCL expansion was also supposed to be on fast track.
- Jayesh Doshi** That will be finished by December of 2013.
- Vaibhav Agarwal** Can we have any volume guidance for OCL and Dalmia and even for Calcom, Adhunik form?
- Jayesh Doshi** Looking at the market it becomes very difficult to give you guidance but I think for Dalmia we would be somewhere about, I do not know it is a forward-looking statement which we do not do but somewhere around I would probably say we will be hard in the market and somewhere between 8% to 10%.
- Vaibhav Agarwal** 8% to 10% on Dalmia standalone?
- Jayesh Doshi** Yes. I think OCL also would be in the same range.
- Moderator** Our next question is from Nirbhay Mahawar of Rare Enterprises. Please go ahead.
- Nirbhay Mahawar** Sir since you mentioned that in the next three years also we would not be able to reach beyond 80% utilization, is there any thought on now going slow on future expansion and all this inorganic growth because we have got significant leverage now in balance sheet?
- Jayesh Doshi** I think if you look at my leverage vis-à-vis my full drawn capacity, I as a finance person do not see it. Yes, we are pretty evenly leveraged, #1. #2, yes I agree with you that utilization we need to also improve on utilization but I cannot preempt and stop my growth because I am not able to utilize it. See one or two years decision on the utilization cannot decide my next 15 years of expansion plan. So I am not putting a capacity for probably one or two or three years. The idea is that we would like to go up to utilization level which we believe is 80%. And if you see last five years cement industry in south or in most of the regions has never grown utilization beyond 80-85% in any case.
- Nirbhay Mahawar** So the new expansions are likely to come?
- Jayesh Doshi** That does not mean that I have new expansion or I will not do. What I am trying to say is yes, we will have to see that how much better we utilize the existing capacities and going forward we need to think it rationally and how we want to do it and which area we would like to do.



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- Nirbhay Mahawar** On the inorganic growth side what is the – because the latest acquisitions have not yet started delivering. So do we have some kind of thought that we will go slow till we consolidate these operations?
- Jayesh Doshi** I think to my mind we are very-very happy with the way we have acquired northeast and it is panning out to be. Acquisitions do not give you free cash flows in the one or two quarters. It takes probably two years before you get free cash flows. In any case when you put up a capacity post three years you do not even get production out of it. #2 any acquisitions or inorganic you cannot decide that just because it is did not give me, I am very happy with my acquisitions and I am doing pretty good about it. So I do not think that acquisition of Northeast in any way deviates my thought process of inorganic growth.
- Nirbhay Mahawar** Sir, as far as Dalmia is concerned it has been pretty aggressive on expansion and if you look at most of the other cement companies they have focused on deleveraging. If you look at most of the other cement companies they have tried in to delever in last 2-3 years and they are going slow on the new expansion. So what is giving Dalmia this confidence in terms of -
- Jayesh Doshi** I think we believe in the business which we are in.
- Nirbhay Mahawar** Yeah but I think that must be the case for UltraTech also. It has got a 60 million in revenues.
- Jayesh Doshi** But you see the growth of UltraTech, they have also put up capacities.
- Nirbhay Mahawar** Yeah, but they have got much higher cash flows to back it up with the kind of expansion.
- Jayesh Doshi** Yeah, I agree with you but let me achieve that scale to back it up. If you see the initial years of UltraTech or initial years of Ambuja both the companies grew only by debt. So I think I am evenly managing my growth expectations vis-à-vis my debt and equity leveraging.
- Nirbhay Mahawar** During the 1995 to 2005 phase you had a very favorable economic tailwind also. You had very high economic growth for the country.
- Jayesh Doshi** 1995 – 2005 is not that I would really see, 1999 was the Asian crises where everything tanked and cement industry in any case you see any three years or five years we had a final five year if you take out cement industry has been growing at about 7-8%. And in India as long as you have people, as long as you need houses, as long as there is shortage of houses I do not think there is going to be a problem in terms of selling cement. I am going to the old school of that cement is any case has no substitute and we believe that this is one business which we run it properly if we control cost properly you cannot go wrong.
- Nirbhay Mahawar** So we do not have any peak leverage in mind in terms of let us say -



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- Jayesh Doshi** Peak leverage in terms of financial ratio yes, as a CFO I would not like to go beyond 1.1-1.2 on a normal scenario but if I do go then probably in that short time or period where probably I would have done some acquisition.
- Moderator** Our next question is from Saurabh Sahu of Aditya Birla. Please go ahead.
- Saurabh Sahu** I have a question about Dalmia standalone operations, in terms of market share currently how is the company poised in South?
- Jayesh Doshi** South we are at about 8.9%.
- Saurabh Sahu** And in terms of state wise is it any different or -
- Jayesh Doshi** State wise it is different. Today every state I can give you a break up of state wise what we have but we can get you the market share getting it for you. That is not a problem.
- Himmi Gupta** Tamil Nadu is 14%, Kerala again it is 14%, Karnataka and AP it is around 5-6%.
- Saurabh Sahu** And in terms of the realization how are the respective states panning out?
- Jayesh Doshi** See Andhra Pradesh did not grow but in respect to Tamil Nadu probably would now see some growth happening, but we would like to keep our South focus to Tamil Nadu and Kerala and Karnataka with a new plant coming in.
- Saurabh Sahu** And would there be any kind of guidance to put on the net sales realization and EBITDA for the year?
- Jayesh Doshi** We give only volumes at best, nothing beyond volumes.
- Saurabh Sahu** And on overall basis what is the NSR for South?
- Jayesh Doshi** I have told you what my volume is, I mean what guidance more do you need?
- Saurabh Sahu** I am talking about quarter 1 sales realization in south.
- Jayesh Doshi** I do not want to get into actual numbers. I do not know how the next 2-3 quarters are going to pan out.
- Saurabh Sahu** In terms of your raw material last year there were some 500 odd crores of coal imports, now with the dollar moving adversely how do you see that impacting EBITDA going forward because with a one part of EBITDA taking hit was northeast operations and coal being significant raw material, how would that impact EBITDA?

- Jayesh Doshi** I think we have all lived to learn with the foreign exchange fluctuations in the current FOREX market. We need to improve our efficiencies. We cannot do without import of coal. That is a fact and we need to live and see how better utilization or how we can sweat more of our assets and more of our usage and heat ratio, try and to do some pet coke, try and do some blending, try and see some usage of other fuel but try and make it efficient. But I do not think so I can say that we can live without import of coal.
- Saurabh Sahu** Would you like to put some numbers in terms of percentage points on EBITDA it would have an impact on?
- Jayesh Doshi** Last quarter we had an impact of Rs. 100 per ton on EBITDA but as of today I am fully done at Rs. 60. So anything beyond it probably it will affect me more.
- Moderator** Our next question is from Gaurav Malik of Locus Investment Group. Please go ahead.
- Gaurav Malik** I just wanted to check with you how much capacity did come online in Northeast from Star?
- Jayesh Doshi** About 1.5 million.
- Gaurav Malik** And total between you and Star you now account about how much of the market?
- Jayesh Doshi** 40%.
- Gaurav Malik** And you do not see anything else coming up, right?
- Jayesh Doshi** In Northeast, no.
- Moderator** Our next question is from Jinesh Gandhi of Motilal Oswal Securities. Please go ahead.
- Jinesh Gandhi** Yes, as you mentioned some number about impact of FOREX in this quarter, how much it was?
- Jayesh Doshi** Rs. 100 per ton.
- Jinesh Gandhi** And sir second question pertains to our balanced stake which we are going to acquire in both Calcom and Adhunik, any update on that? Any timeline which you are expecting?
- Jayesh Doshi** See it is on a happening. Calcom is after three years and Adhunik as and when I received my capital subsidies, so I am cash neutral. If the subsidies come I pay otherwise I am the way I am. And as it is it does not matter to me because I consolidate. More than 70% is up with me. So it does not matter.
- Jinesh Gandhi** So in case if they do not receive subsidy then our stake remains where it is?



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- Jayesh Doshi** No, no after five years if we do not get any subsidy then the stake comes to me free of cost.
- Jinesh Gandhi** And so is the case with Calcom and Adhunik?
- Jayesh Doshi** Yeah.
- Moderator** Thank you. I would now like to hand the floor back to Mr. Vaibhav Agarwal. Over to you sir.
- Vaibhav Agarwal** Thank you. On behalf of PhillipCapital we thank the management of Dalmia Bharat for this opportunity and also many thanks to the participants for joining for the call. Inba you can now conclude the call.
- Jayesh Doshi** Thanks Vaibhav. Thanks for hosting the call.
- Moderator** Thank you very much. Ladies & gentlemen on behalf of PhillipCapital (India) Private Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.