Dalmia Bharat Limited's
FY13 Results Conference Call

June 4, 2013

Moderator Ladies and Gentlemen, Good day and welcome to the Dalmia Bharat Limited FY13 Earnings Conference Call hosted by PhillipCapital India Private Limited. As a reminder for the duration of this conference, all participant lines will be in the listen-only mode. There will be an opportunity for you to ask questions at the end of today's presentation. Should you need assistance during this conference, please signal an operator by pressing * and then 0 on your touchtone phone. Please note that this conference is being recorded. I would now like to hand the conference over to Mr. Vaibhav Agarwal of PhillipCapital India Private Limited. Thank you and over to you Sir.

Vaibhav Agarwal Thank you Mohsin. On behalf of PhillipCapital India Private Limited, we welcome you to the FY13 earnings conference call of Dalmia Bharat. At this point of time I hand over the floor to Ms. Himmi Gupta, AGM-Investor Relations, Dalmia Bharat for the opening comments, which will be followed by interactive Q&A session. Over to you Himmi.

Himmi Gupta Thanks a lot Vaibhav. Good afternoon ladies and gentlemen. Welcome to Dalmia Bharat Limited Financial Year 2013 conference call. I have with me on the call Mr. Jayesh Doshi – Executive Director, Corporate Finance and Strategy to discuss some of the recent events and results of the company. 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 the performance. A detailed statement in this regard is available in the results presentation made available by the company. I would now like to share the key highlights of DBL. Dalmia Bharat Limited for the financial year ending 31st March, 2013 has performed significantly better as compared to the previous year. Total income from operation was Rs. 2831 crores for the period under review as against Rs. 2365 crores for the previous year ended March 13th, 2012, an increase of 20% on YoY basis. This was on account of increase in sales volume by 11%, 6 million ton versus 5.4 million ton in the previous year and improvement in cement realization by 6%. NSR per tonne for the year is at Rs. 4351 versus Rs. 4115 in financial year 2012. EBITDA grew by 14% from Rs. 591 crores in financial year 2012 to Rs. 674 crores in financial year 2013. EBITDA margin is marginally lower at 24% despite of the high cost of operation due to recent acquisitions in the Northeast. EBITDA per tonne has grown by 2% at Rs. 1012 in financial year 2013 as compared to Rs. 993 in financial year 2012. On per tonne basis the cement variable cost increased by 7% despite the increase in diesel prices and rail tariff by over 20%. During the year we acquired Adhunik Cement Limited in Meghalaya which has a cement capacity of 1.5 million ton per annum, an increase as taken in Calcom Cement by taking up further equity shares and increasing the holding to 76%. With these acquisitions the company has consolidated its position as a leading national brand in the Northeast region. We launched our Dalmia brand in Northeast. Our exit market share in March in Northeast region is 22% and we enjoy premium pricing in Northeast. Despite the geographical challenges we have been able to initiate and implement efficiency improving measures in the operation in a short time span of four months, the benefits of which are expected to realize from financial year 2014 onwards. We also expect further cost reduction due to integration and realization of synergies in the acquired assets.

Now I would like to highlight quarterly performance for the company:

Our performance for the quarter ended March 2013 was higher compared with the corresponding quarter of the previous year ensuring significantly better performance for the year as a whole. Total income from operations was Rs. 796 crores for the quarter ended March 2013 as against Rs. 669 crores for the corresponding quarter ended March 2012, an increase of 19%. This was on account of increase in sales volume by 12%, 1.7 million ton for Q4 FY13 versus 1.5 million ton for Q4 FY12, and also we have witnessed improvement in net cement utilization by 3%. NSR per tonne for the quarter was at Rs. 4370 as compared to Rs. 4229 in Q4 FY12. EBITDA per tonne stands at Rs. 878 as compared to Rs. 879 in the corresponding period of the previous year. The margin has been marginally lower at 21% as compared to the EBITDA margin of 22% in Q4 FY12 despite of the high cost operation due to recent acquisition in the Northeast.

Our associate company OCL India Limited in which we hold 45% stake has reported financial results a few days back. Total income from operation was Rs. 1849 crores for the period under review as against Rs. 1470 crores for the previous year ended March 2012, an increase of 24%. This was on account of increase in sales volume by 5%, 3.3 million tonne for FY13 versus 3.2 million tonne in FY12, and improvement in cement utilization by 25%. NSR per tonne for the year is at Rs. 4515 versus Rs. 3614 in FY12. EBITDA grew by more than 100% from Rs. 207 crores in FY12 to Rs. 417 crores in FY13. EBITDA margin is also significantly higher at 23%. EBITDA per tonne has grown by more than 100% at Rs. 1190 in financial year 2013 as compared to Rs. 586 in FY12. That brings me to the end of our comments on the result and we would like to request the moderator to open the forum for the Q&A.

Moderator Thank you very much. We will now begin the question and answer session. First question is from the line of Devanshi Dhruva from NVS Brokerage. Please go ahead.

Devanshi Dhruva I would like to ask what is the capacity utilization for the company for Quarter 4 FY13 and also for the full year 2012-13?

Jayesh Doshi For our south operations, our capacity utilization for the full year was about 65% and for the quarter was also I think in the same range.

Devanshi Dhruva Sir my next question is that the current total installed capacity of the company is around 17 million tonne per annum whereas the actual production and sales is in the range of 5 to 7 million tonne. So can you just throw some light upon what are the hurdles or roadblocks faced by your company in achieving high capacity utilization?

Jayesh Doshi Let me correct you here, when you are adding my 17 million tonne you are adding my associate company OCL's capacity but when we are showing the quantity here in the audited results of 6 million tonne it is just the DCBL consolidated. So total as a group we have sold about 9.3 million tonne.

Devanshi Dhruva And so this capacity utilization would be around 65%?

Jayesh Doshi Yes.

Devanshi Dhruva So are you all taking any steps to improve that capacity utilization to around say 75% or something, I mean this capacity utilization has been almost constant between that 65% and 67%.

Jayesh Doshi I think in terms of the step you can appreciate that we are in a market which is fairly challenging in terms of Andhra Pradesh and Tamil Nadu and despite that we have grown better than the market also. So our endeavor would be to go up to at least 70% to 75% in the coming year.

Devanshi Dhruva And sir my next question is that your company holds around 45% in OCL India which is your associate company, so is Dalmia Cement planning to increase their stake or anything in that company saying that that company is performing quite well now?

Jayesh Doshi Question is not that we will increase the stake because it is performing well or not performing well, it is a strategic decision which at the end of the day yes we would like it to have as a complete merged entity of the group and we are working towards that.

Devanshi Dhruva And the last question sir that your consolidated profits before associates this year is around Rs. 140 crores, whereas last year it was around Rs. 148 crores. Moreover the final PAT has increased to 197 because of profit from associates. So I am just wondering because you all have made some acquisitions in the past two quarters and also you all have said that the net realizations have been marginally higher and even sales volume has increased still the PAT before associate is Rs.140?

Jayesh Doshi PAT is the culmination of the higher interest rates on account of acquisition borrowing but if you look at the real thing which is to be looked is the EBITDA number which is up 14% to 674. In fact this is one of the highest ever EBITDA. What has happened is that we have acquired these Northeast companies in the last probably five months and which interest and depreciation put together has created little impact on the PAT number.

Moderator The next question is from the line of Anand Agarwal from Jefferies. Please go ahead.

Anand Agarwal First could you talk about the expansion projects that you have in terms of the timeline for completion for the various projects in terms of how much CAPEX due to intend to spend in FY14 and what is the amount that you spent till date?

Jayesh Doshi The total Belgaum project which is an integrated unit, our total CAPEX is about Rs. 1340 crores. We have spent about Rs. 390 crores roughly and we plan to spend at least Rs. 900 crores in this coming year before the clinkerisation. We expect commissioning, I would say our internal target is March 2014 and we would be having the clinkerisation at least commencement by FY14.

Anand Agarwal Okay, and grinding by?

Jayesh Doshi All integrated probably between June and September so that is why I said our internal target is March but probably looking at September 2014.

Anand Agarwal Okay and the Calcom and the OCL expansion?

Jayesh Doshi OCL expansion will be before probably February 2014 in terms of the grinding unit of OCL and Calcom May 2014.

Anand Agarwal Both the grinding unit and the clinker unit?

Jayesh Doshi Yes.

Anand Agarwal Sir and if you could briefly talk about the current demand environment in your markets and the pricing trend there, that will be helpful.

Jayesh Doshi I think the current demand in southern markets today we believe that it would be growing at about 6% to 7% for the coming full year. See to be very honest one or two months is not a criteria to look at cement demand because as you are aware that so many external factors do affect the cement production as a whole. So cement demand should be taken at least on a yearly basis or probably according to me probably couple of years of the thing. Tracking monthly or daily market is not really in terms of the cement because cement demand and consumption is as it is a longer period but over a period of next year I expect at least 6% to 7% growth in each of our market.

Anand Agarwal And we would expect to grow faster than that or we would target to grow faster than that?

Jayesh Doshi Yes, that is our expectations.

Anand Agarwal And what are the pricing trends recently, I mean there were some price hikes in the middle of May. Has there been more price hikes post that?

Jayesh Doshi Yes. I think the price hikes in the last 10 days have been quite good especially in Andhra Pradesh to bring about, you know Andhra Pradesh price had just gone down quite a bit and I think now prices have corrected itself to at least reasonable levels where we believe we can make some money.

Moderator The next question is from the line of Mangesh Bhadang from Quant Broking. Please go ahead.

Mangesh Bhadang I just wanted to know what could be the like to like volume growth for cement if we strip out the growth that would have come from Calcom & Adhunik in FY13.

Jayesh Doshi If I remove the North East growth it would be flat.

Mangesh Bhadang	It would be flattish, so the additional volumes would have come from Calcom?
Jayesh Doshi	Yes, from Northeast.
Mangesh Bhadang	And the other thing is I just wanted to know what are the interest cost that we have capitalized.
Jayesh Doshi	In terms of which company you are talking about?
Mangesh Bhadang	DBL.
Jayesh Doshi	DBL we have not yet capitalized. We have just capitalized probably around 25 to 30 crores of capitalization.
Mangesh Bhadang	And what was the ending debt? I guess it was around 3500 crores.
Jayesh Doshi	3421 and we have treasury of about 500 crores, 660 plus.
Mangesh Bhadang	Okay, so but the interest capital at DBL was only 25-30 crores.
Jayesh Doshi	Yes.
Mangesh Bhadang	And I just wanted to know what could be the FY13 demand growth rates in your home markets or certain states like Maharashtra, Tamil Nadu and Orissa.
Jayesh Doshi	Orissa grew at about 9%. And we do not cater to Maharashtra market. And our southern markets grew by around 6%. The only growth which I am talking about 9% is an average of three years by the way.
Mangesh Bhadang	What was FY13?
Jayesh Doshi	FY13 is 2.5-3%?
Mangesh Bhadang	3% in Orissa.
Moderator	The next question is from the line of Ankur Kulshrestha from HDFC Securities. Please go ahead.
Ankur Kulshrestha	Just want to understand the capital employed in both the Northeast businesses and if you could separate it out in terms of equity that we have invested, debt we have taken on the books and further CAPEX? I think that you have given the number as around 500 crores in Calcom, so if you could just share the other two details.
Jayesh Doshi	I did not get your question.

Ankur Kulshrestha Basically the total capital that we have invested in our Northeast acquisitions in terms of what we have paid as equity and what debt we have taken on the books.

Jayesh Doshi The debt on the books is about 600 crores.

Ankur Kulshrestha This is for which one Calcom or Adhunik?

Jayesh Doshi Calcom.

Ankur Kulshrestha Rs. 600 crores and the equity consideration for 76% status?

Jayesh Doshi Equity consideration is about Rs. 300 crores.

Ankur Kulshrestha And for Adhunik these numbers would be?

Jayesh Doshi Adhunik the debt is around Rs. 400 crores and equity components would be we paid Rs.360 cr and we need to pay, why I am not able to get the exact number is if the deal is well we need to pay another Rs. 140 crores. But that depends upon a contingency of the incentive which is received or not.

Ankur Kulshrestha So Rs.360 cr is the amount we have paid.

Jayesh Doshi Yes.

Ankur Kulshrestha Okay, got it. And next one is on basically we have recognized an amount of about Rs. 32 crores as deferred capital investment subsidy, so this I understand would be on account of Calcom consolidation. So how do we tie this number back to either fixed assets of Calcom?

Jayesh Doshi We will go and I will have to draw a balance sheet for you on the entire Calcom fixed assets capitalization for you to tie it up.

Ankur Kulshrestha Got it. I will take it separately.

Moderator The next question is from the line of Rajesh Kumar Ravi from Karvy Stock Broking. Please go ahead.

Rajesh Kumar Ravi Would you please take us through the different CAPEX that is happening in your key markets, CAPEX other than those that you have announced?

Jayesh Doshi There is no other CAPEX. Whatever we announced is what is happening. Other than that there is deferred CAPEX, that is it.

Rajesh Kumar Ravi No, no, I am asking about other new plants, new expansions happening by other players in your key markets, in the southern market or in the eastern market.

Jayesh Doshi I think the total capacity which is expected to come in the next year is about 24 million tonne.

Rajesh Kumar Ravi And specifically in the south which are the plants that you are expecting to get commissioned in FY14?

Jayesh Doshi FY14 we expect about 4 million tonne coming in south.

Rajesh Kumar Ravi Only 4 million in south?

Jayesh Doshi Yes.

Rajesh Kumar Ravi Okay. And sir this OCL plant, when is that expected?

Jayesh Doshi Grinding unit you are talking about I hope. As I said it would be February 2014.

Rajesh Kumar Ravi So by fourth quarter of this financial year it should be ready?

Jayesh Doshi Yes.

Moderator The next question is from the line of Sandeep Hemraj from PCS Securities. Please go ahead.

Sandeep Hemraj Sir could you throw some light on the prices currently in the south and the Northeastern regions?

Jayesh Doshi Northeast today the prices are around 350 levels per bag.

Sandeep Hemraj And non-trade would be?

Jayesh Doshi I think there is not much of a difference between trade and non-trade in Northeast but non-trade would be about Rs. 325-330. And in south, Andhra is about Rs. 300 today. Tamil Nadu is about again Rs. 310-315. And Karnataka is about Rs. 290. So prices are more or less stable now in the last at least 10-15 days. It had taken a sharp downturn in Andhra.

Sandeep Hemraj So Andhra you are seeing 300 currently that means – Rs. 70-80 jump you have seen in the last one month. Is this sustainable sir?

Jayesh Doshi I think the Rs. 230-240 was not sustainable, that was the problem. Now I think the sustainability will come. I do not think so any company would be making money to sell in Andhra at Rs. 230-240.

Sandeep Hemraj And how is the demand per se in Andhra sir?

Jayesh Doshi Demand, I think Andhra will always suffer from the fact that Telangana issue till it comes always has this overhang. It is growing as in India you always say that the Hindu rate of growth will continue in cement there is no problem in that. 5%, 6% is not a problem.

Sandeep Hemraj And what is your sense on the demand overall this year sir across the board?

Jayesh Doshi This year at least in our market south and east, I expect 6% to 7% in the market.

Sandeep Hemraj Why has the Northeastern demand really not picked up vis-à-vis expectations?

Jayesh Doshi I think a lot of impetus to Northeast gets done from the government because in Northeast the 8 states are the favored states and a lot of impetus and thing comes from the investment made by the government. So the pipeline of the government spending is probably a little slow. But you see the Northeast demand also coming up quite a bit now. And Northeast is you know it is like Guwahati is in charge or different-different pockets. So state-wise you may not see a real thing but today at the end of the day, cumulatively eight states how much is market, 6 million 6.5 million tonne. For us it is a large market. So we are not really bothered that there should be 10 or 15% growth. In fact it is better the way it is because we are selling how much whatever we wanted to sell. If it grows faster as the people coming from outside selling in the Northeast.

Sandeep Hemraj Would logistics support that?

Jayesh Doshi I mean the question is prices in Northeast would support that extra amount of paid and visibility of players selling there.

Sandeep Hemraj Okay. Sir I have just been hearing recently that the credit has started back at the cement spaces. How much does that hold water?

Jayesh Doshi I think little.

Sandeep Hemraj That cement companies are selling cement on credit?

Jayesh Doshi No, no in fact our OCL volumes, we are making – in May and June our EBITDA numbers are fairly strong in spite of lower volumes primarily because we have controlled credit and we have controlled pricing. 30-35 days receivables have come down to 20-25 days so it depends on company to company. We are very clear on our credit things.

Sandeep Hemraj And what is the receivable days in Dalmia?

Jayesh Doshi Dalmia is about 40 days.

Moderator The next question is from the line of Jinesh Gandhi from Motilal Oswal. Please go ahead.

Jinesh Gandhi Couple of questions on your quarterly results first. One is we have seen reasonable increase in our fixed cost on per tonne basis between December quarter and this quarter.

Jayesh Doshi That is primarily because of two reasons – one is the Calcom and Adhunik being consolidated and lower utilization. It is the result of both. You will see it gradually coming down from the next year.

Jinesh Gandhi But between March quarter and December quarter utilizations would have improved.

Jayesh Doshi No, but Calcom and Adhunik is substantia. Also in last quarter we consolidated Calcom only for 1 month. This qtr has seen the full impact of Calcom plus we did a branding launch.

Jinesh Gandhi Any sense on what kind of investment would have happened in that branding launch in Northeast?

Jayesh Doshi 7 crore.

Jinesh Gandhi And secondly we have seen a reduction in interest cost on quarterly basis between December quarter despite Calcom being consolidated for full quarter and this quarter. So any reason for that?

Jayesh Doshi The capitalization of our Calcom project as well as capitalization of come of the loans, one time we have paid for our project loans and some of the working capital which we had borrowed for acquisition having repaid. See when you acquire companies you do not have lines. You just borrow for 15 days, one month.

Jinesh Gandhi So the 65-66 crores is more sustainable basis than until would be -

Jayesh Doshi Sustainable would be 70 around for going forward every quarter.

Jinesh Gandhi Right and then as we see commissioning we will see increase in interest cost.

Jayesh Doshi 70 is excluding commission. I am giving you the debit to P&L. When you are asking interest expenses I have to give you interest expenses.

Jinesh Gandhi Sure. So what I am saying is in FY15 as we see capitalization of CAPEX we will see increase in interest cost.

Jayesh Doshi Yes, sure.

Jinesh Gandhi The South Indian DBL standalone operations how they have done now versus December quarter EBITDA per tonne?

Jayesh Doshi EBITDA per tonne I think we were 885 this quarter as against 875 last quarter.

Jinesh Gandhi So largely stable?

Jayesh Doshi More or less stable.

Jinesh Gandhi Okay, but we would have seen the improvement in Calcom and Adhunik on QoQ basis.

Jayesh Doshi QoQ was not there. Actually from November-December the Calcom and Adhunik came in. So I think the real comparison on QoQ if you want to look at it should be from April to June onwards.

Jinesh Gandhi While consolidation is one part but their operations, did they see any improvement in profitability between December and now?

Jayesh Doshi Yes, of course. Our costs had already started coming down.

Jinesh Gandhi There we have refinanced our debt in Northeast subsidiaries so what kind of savings do we expect from that?

Jayesh Doshi I think we refinanced the entire Northeast debt from about 14%-15% average to about our 11% average.

Jinesh Gandhi So that is roughly about Rs. 1000 crores of debt getting refinanced….

Jayesh Doshi Yes, and without any guarantees. I mean that is one of the best refinancing ever done.

Jinesh Gandhi And this benefit we should start seeing from April onwards?

Jayesh Doshi Yes.

Jinesh Gandhi And like you indicated for Karnataka plant we have spent about Rs. 390 crores how much would be for OCL and Calcom till date CAPEX?

Jayesh Doshi Calcom we spent about Rs. 65 crores till date and OCL we spent around Rs. 120 crores.

Jinesh Gandhi And couple of questions on our debt side. Our current debt is about Rs. 3400 crores.

Jayesh Doshi I have to say gross because 660 crore is our treasury.

Jinesh Gandhi Okay. So how do you expect this to move over the next couple of years because we will be doing our peak CAPEX in FY14?

Jayesh Doshi The peak gross debt would be 4200.

Jinesh Gandhi And this would be FY14 or FY15?

Jayesh Doshi Probably mid.

Jinesh Gandhi And last question on our balance sheet, there is increase in loans and advances by about Rs. 500 crores on consolidated basis, so any indication about what that increase is for?

Jayesh Doshi It must be normal advances which we knew. I will need to check. I think this could be normal business but let me check it what is there in advances and loans. And actually it would be subsidies receivable which is your loans and advances in the Northeast.

Jinesh Gandhi Consolidated, it will get knocked off, no?

Jayesh Doshi No, no but subsidies we have to receive.

Jinesh Gandhi Oh sorry, you are saying subsidies receivables. That would be large chunk.

Jayesh Doshi It is large chunk.

Jinesh Gandhi Okay. And any timeline which can integrate about increasing stake in both Calcom and Adhunik?

Jayesh Doshi No, I mean today we are consolidated, how does it matter whether it is 77% or 100%.

Jinesh Gandhi More from our cash flow perspective, so.

Jayesh Doshi Cash flow gets covered.

Jinesh Gandhi I mean how do we budget for your cash outflow of Rs. 140 crores in Adhunik and -

Jayesh Doshi See now to be very honest, Rs. 140 crores is over a period of five years whenever this is achieved. Now if the incentives come in two years' time, it will be paid in two years time. If it comes

Jinesh Gandhi So it is for a five year period?

Jayesh Doshi Yes.

Jinesh Gandhi And similarly it would be Calcom as well?

Jayesh Doshi Yes, FY17.

Moderator The next question is from the line of Nirbhay Mahawar from Rare Enterprises. Please go ahead.

Nirbhay Mahawar Just wanted to get a better sense on your holding structure in long run how do you plan to simplify this?

Jayesh Doshi It is as simplified, the cement operating assets is getting into the holding structure.

Nirbhay Mahawar No but if you look at all over, like we own 85% in Dalmia Cement and then Dalmia Cement is owning various companies. So this 2-tier structure is -

Jayesh Doshi All cement is under one. 85 % and 15% was KKR and ours. Once KKR's exit happens and exit would happen either by merging to the top end which is the holding company.

Nirbhay Mahawar Okay, so this exit of KKR can happen only through the merger in the -

Jayesh Doshi It cannot be only. What we do in over a period of three years is a different issue. I am not indicating that I will do an open offer. Since you said that it can happen only through merger the answer is no.

Nirbhay Mahawar Yes, but most likely case would be –

Jayesh Doshi Yes absolutely, we will not do two listings.

Nirbhay Mahawar Yes exactly, so just wanted to get a sense on that. And do we have a timeframe for this exit?

Jayesh Doshi There is no timeframe. KKR is pure-pure equity, but if you ask me probably next four years we are looking at, 3 to 4 years because KKR investment by that time would be 7 to 8 years and prima facie usually an investor wants returns in 7 to 8 years.

Nirbhay Mahawar Do we have some kind of exit commitment?

Jayesh Doshi Nothing, pure-pure equity.

Nirbhay Mahawar And KKR had committed some additional equity infusion also?

Jayesh Doshi Yes.

Nirbhay Mahawar So any plans to -

Jayesh Doshi Right now we do not think it necessary to get that.

Nirbhay Mahawar Got it. And if I am correct, post our all planned expansion we would be having our group capacity would be around 22 million tonne. So are we planning to consolidate this now or we have plans to –

Jayesh Doshi See except OCL everything gets consolidated.

Nirbhay Mahawar What I mean to say is that do we have any plans of some new expansions also or we would like to –

Jayesh Doshi Right now it is a year of consolidation.

Nirbhay Mahawar Okay, so can we expect that our debt after reaching a peak of 4000 crore number, can we expect a significant reduction over a period of next two years?

Jayesh Doshi Of course, it has to.

Moderator Next question is from the line of Jinesh Gandhi from Motilal Oswal. Please go ahead.

Jinesh Gandhi Just couple of questions on our Northeast operations, how do we expect or when do we expect Northeast operations to breakeven specially the Calcom part?

Jayesh Doshi Adhunik last year in March for the period Sep'12-Mar'13, posted an EBITDA of Rs. 40 crores, so it is already breaking even and Calcom we expect EBITDA breakeven this year and to make money at PBT/PAT level, probably once the clinkerisation unit comes in.

Jinesh Gandhi Okay. And what would be EBITDA of Calcom in fourth quarter?

Jayesh Doshi EBITDA was a negative of 8 crores.

Jinesh Gandhi Okay. So effectively Calcom should breakeven in FY15 and Adhunik in any case should start delivering reasonable profits from next year. And this 14 crores would be after factoring in for subsidies on freight as well as excise, right?

Jayesh Doshi I did not say 14 crores, I said 48 crores.

Jinesh Gandhi Oh sorry.

Jayesh Doshi I said net was Rs. 40 crores of Adhunik and Calcom. So the net EBITDA of Northeast was 40 crores. 48 was of Adhunik and 8 was negative of Calcom.

Jinesh Gandhi So this 40 crores would be after accounting for subsidies on freight and excise?

Jayesh Doshi Yes.

Jinesh Gandhi And if we knock off that then how much it would be, any sense on that?

Jayesh Doshi I can give you a sense but I think the plant in Northeast goes along with the EBITDA numbers but to knock off probably I would knock off around Rs. 20 crores.

Moderator Thank you. As there are no further questions I would now like to hand over the floor back to Mr. Vaibhav Agarwal. Over to you.

Vaibhav Agarwal Thank you Mohsin. On behalf of PhillipCapital I thank the management of Dalmia Bharat for this opportunity and all the thanks to all the participants for joining for the call. Mohsin you can now conclude the call.

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.