

Conference	Q2-FY11 Earnings Conference Call
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Moderator Thank you for standing by and welcome to the Q2 FY11 earnings conference call for Coromandel International hosted by Enam Securities Pvt Ltd. At this time all participants are in a listen only mode. There will be a presentation followed by a question and answer session. At that time if you wish to ask the question please press * 1 on your telephone. Please be advised this conference is being recorded today. I would like to hand the conference over to Mr. Amit Mishra. Over to you sir.

Amit Mishra Good morning everyone. On behalf of the Enam Securities, I welcome you to the second quarter's conference call of Coromandel International to display their quarterly results. We have with us Mr. Nagarajan, Chief Financial Officer and Mr. Shankar Subramaniam, Vice President, Finance. Without further ado I would like to hand over the floor to Mr. Nagarajan for the initial remarks followed by Q&A session. Over to you sir.

Mr. Nagarajan Morning to all of you. I am Nagarajan, CFO of the company. I have with me my colleague Mr. Shankar Subramanyam, Vice President, Finance. I will briefly start up on the performance of the company. The overall performance of the company during the quarter has been extremely satisfactory. The improved performance has been mainly due to higher volume of fertilizer sales achieved during the quarter combined with improved raw material procurement efficiencies. Besides, pesticides and specialty nutrients business has also achieved higher volumes in the different segments in which they operate resulting in higher contribution from these businesses. In addition the company also recognised during the quarter, Rs 197.23 crores being the subsidy income relating to previous year following determination and announcement of the final rates of concession for the previous year.

The rainfall has been extremely satisfactory during the quarter and, in fact, there was excess rainfall in most of our addressable market except West Bengal. Some of the highlights of this quarter's performance are one, the nutrients based subsidy policy which was introduced from 1st April 2010 has been well accepted by all quarters and the company has accounted for the subsidy income for the current quarter and half year as by set NBS policy. The company also recognized freight subsidy based on its eligibility in the respect of the movements effected through rail and road.

The net sales income for the quarter has been higher at Rs 2757 crore higher by 64% compared to the corresponding period of the last year.

The total sales of own manufactured fertilizers during this quarter

moved up by nearly 21% over the corresponding quarter of last year. Besides the company also undertook sale of imported DAP and MOP aggregating to about 2 lakh ton compared to just about half a lakh ton during the previous quarter, that is the corresponding quarter of last year. The volume of sales of pesticides and specialty nutrients was also higher compared to Q2 of last year. There is considerable improvement in the performance of retail business as well over the last year. As regards profitability there is an increase in EBITDA from Rs 335.09 crores from Q2 of last year to Rs 552.26 crores in the Q2 of current year. This includes Rs 197.23 crores being subsidy income for the previous year. The PAT for the quarter is Rs 350.10 crores compared to Rs 187.86 crores during the corresponding period of last year reflecting an improvement of about 86%. Interest cost during quarter was marginally lower due to lower cost of borrowing from cheaper sources of funds. As regards the result for the half-year the net sales income for H1 in the current year is Rs 4306.13 crores compared to Rs 3273.15 crore in H1 of last year. The EBITDA for the first year of this year is Rs 762.39 crores compared to Rs 442.73 crore in H1 of last year. The net profit for the half-year is Rs 690.55 crores compared to Rs 371.01 crores in the first half of last year reflecting an improvement of about 86%. The Board of Directors in a meeting held on October 19, 2010, have proposed for split of the shares of Rs 2 each to two shares of Rs 1 each subject to the approval of the shareholders. The other important development has been on the work on Tunisian joint venture project which is progressing very well and is expected to be commissioned by the 1st Quarter of 2011 and phosphoric acid supplies from this project are expected to come out from the first half of 2011 onwards. Thank you. If you have any specific queries I will be happy to respond.

- Moderator Shall we start the Q&A session sir?
- Mr. Amit Mishra Yeah, go ahead.
- Moderator Thank you. At this time if you wish to ask a question please press *1 on your telephone keypad and wait for your name to be announced. If you wish to transfer your request please press # or the hash key. First in line we have Prashant Poddar from Investment Core. You may go ahead please.
- Mr. Prashant Sir this is Prashant from Invest Core, Hong Kong sir. Two queries one is regarding the EBITDA margin improvements, how has that come about and two is how will the increase in Phosphoric acid and DAP prices globally impact the company in positive or negative way?
- Mr. Nagarajan Regarding the improvement in EBITDA margins, this has mainly come about on account of the fertilizers raw material purchase efficiency improvements. There have been some operational improvements. We also had improved performance

from all the businesses, pesticides, SND, the specialty nutrients as well as the retail.

- Mr. Prashant And how is the international price movement. . .
- Mr. Nagarajan Regarding international price yes, the price of DAP has started moving up. But as you know we have already contracted the price for the Q3 of this year at \$780 so we do not expect to have any major impact on account of recent increases in the prices. This may have some impact probably in Q4, we will have to wait and check. But at same time as the rupee has **appreciated** that should partially offset the impact of international prices going up. But will not know at this stage what will be the price of phosphoric acid by Q4.
- Mr. Prashant Sir but as I understand that subsidy per ton has been fixed and now you can price your product according to the movement of your sourcing cost or the industry's sourcing cost which essentially means that the cost if at all has gone up for everyone or if at all will go up for everyone. So as long as you can pass that on even in Q4 why should you expect some kind of impact even in 4th Quarter?
- Mr. Nagarajan No, as I told you at this stage there is no increase, in the cost of raw material and we have not thought in terms of revising the prices. But going forward we will see how the prices get determined and accordingly we'll take a decision.
- Mr. Prashant Last question related to that. Sir if you were to increase those prices for example, if the current prices say for Q4 what is the kind of increase you will have to take for the final product prices to pass on that?
- Mr. Nagarajan Well it is hypothetical, because at this stage I do not know what is going to be the price for phosphoric acid for Q4. Currently the prices are the same as what it was in Q2.
- Mr. Prashant Okay, alright thank you sir.
- Moderator Thank you sir. Next in line we have Ritesh Zaveri from Enam Assets Management. You can go ahead please.
- Mr. Ritesh Hi, good morning this is Ritesh Zaveri from Enam Assets Management. I do not know if you have covered already this in your opening remarks but I was looking to the revenue breakup between the subsidy based and non-subsidy based fertilizers and pesticides.
- Mr. Nagarajan The non-subsidy based roughly account for about 30% of the overall numbers and subsidy based account for about 70%.

Mr. Ritesh Okay and what kind of trend do you see going forward for the remainder of the year-end and probably next year? How do you see that moving?

Mr. Nagarajan Current year probably it will be more or less at the same range but going forward as we already mentioned we expect to increase the non-subsidy businesses growing from the current level of 30% to around 45-50%. But that will happen over a period of few years.

Mr. Ritesh So about 2-3 years or it should be longer?

Mr. Nagarajan Yeah should be about 2-3 years.

Mr. Ritesh Okay, could you also share for the quarter you know the segmental EBITDA margins and reasons? I mean we already got part of reasons why they have moved up but how were the segmental EBITDA margin during the period?

Mr. Nagarajan We do not normally give the segmental information, but overall effect on the profitability margins have improved across all the businesses.

Mr. Ritesh Okay sure, thank you.

Moderator Thank you sir. Next in line we have Sarjuraj Badia from Angel Broking. You may go ahead please.

Mr. Sarjuraj Couple of my questions have been answered. Just wanted to know if you can share cost of production for DAP?

Mr. Nagarajan It's based on import of phos phoric acid price of \$775. That is the critical thing in so far as the costing of DAP is concerned. It has remained same right from April.

Mr. Sarjuraj Okay, 775 is the cost of production or its . . .

Mr. Nagarajan It is the cost of phosphoric acid. That is critical cost in the overall cost of production.

Mr. Sarjuraj Okay, what will be your variable conversion cost like?

Mr. Nagarajan No, those details normally we do not get into it but as I told you the critical thing is the raw material prices.

Mr. Sarjuraj Okay fine sir, I will come back if I have anything, thanks.

Moderator Thank you sir. Next in line we have Vikram Mahajan from Bay Capital. You may go ahead please.

Mr. Vikram Mahajan Good morning, congratulations on a good quarter. Just wanted to check what is our current capacity utilization level?

Mr. Nagarajan We are running close to 100%, slightly lower. Our capacity utilization depends on the product mix ultimately depending on what kind of a product, whether it is DAP or complex. If I look at it that way we are very close to 100%.

Mr. Vikram Mahajan So with the same kind of growth in second-half do you think that plant capacity expansion as you mentioned earlier should be explorative?

Mr. Nagarajan No, that capacity expansion will really happen only during later part of 2011-12. If you are talking about the C train expansion which we talked about last time that will happen only by later half of 2011-12 which I will say beginning of 2012.

Mr. Vikram Mahajan And you mentioned something about expansion due to debottlenecking?

Mr. Nagarajan Yeah that work is going on and that should probably come through in the second half of this year.

Mr. Vikram Mahajan And recently there were some plans regarding urea plant in Asia?

Mr. Nagarajan Still working on that, nothing has crystallized. Probably once something materializes we will definitely come back to you.

Mr. Vikram Mahajan Alright thank you so much.

Moderator Thank you sir. Next in line we have Jay Shah from Reliance Mutual Fund. You may go ahead please.

Mr. Jay Shah Hello good morning sir. Sir over the last quarters over few years every quarter you would that see that there are some subsidy which will get over for the previous year period. Now that the norms have changed, going forward to FY12 did you see that in quarter this subsidy for past year would completely stop?

Mr. Nagarajan It should not, you are right actually. Till last year the subsidy was variable depending on the raw material prices, exchange-rate and all those things. But now that we have moved to a fixed rate a subsidy regime this kind of a thing may not happen in future.

Mr. Jay Shah Okay, thank you sir. And sir my other question was currently we had joint ventures with Shell Research for sulfur based fertilizer, could you give some details on that what are your plans on that?

Mr. Nagarajan I will request my colleague Mr. Shankar to answer your query.

Mr. Shankar Shell technology will help us in adding micronised sulphur directly into the product. Currently we use sulphuric acid to add sulphur to two of our complex grades. Using this new technology we can add sulphur to DAP or other complex grades. This will give value addition to the farmers in terms of yield improvement and our field trials are quite positive . The new sulphur based grades will give competitive advantage in the market place.

Moderator Is the question answered Sir? Mr. Jay is not responding. Next in line we have Varun Guntapalli from Edelweiss Securities. You may go ahead please.

Mr. Varun Good morning sir, my first question is in the terms of subsidy receivable what is your outstanding subsidy that we are supposed to get from government right now?

Mr. Shankar As of end September the figure was over 1270 crores. Of this nearly about 400 crores has come in October.

Mr. Varun Rs. 400 crores has come in October. So, Rs. 870 crores is pending, right?

Mr. Shankar Correct.

Mr. Varun And how much is pertaining this financial year, that is the first half of this year?

Mr. Shankar I don't have the figures ready but most of it relates to current year only. But there could be some element of see what we call 10% subsidy which gets paid only on certification by the State government, some amount could be outstanding on that account for the earlier years but it won't be very substantial.

Mr. Varun Okay sir and the 197 crores which you are mentioning that it the subsidy pertaining to previous year, now everything is taken in this quarter, right? So in the next two quarters we would not be seeing anything from the previous year subsidy coming in this year numbers, right?

Mr. Shankar Yes.

Mr. Varun Okay and if you can give us an update in terms of the SQM project, at what stage is it right now?

Mr. Shankar See we have got approval just now. So we will be taking up the project implementation and we should be ready with the plant by April.

Mr. Varun By April of 2011 we should be ready with the plant, right?

Mr. Shankar Yes.

Mr. Varun And in terms of CAPEX how much you are spending in this financial year sir?

Mr. Shankar Around 100 crores.

Mr. Varun Between the project, that is separate, but normal CAPEX which will be around 100 crores.

Mr. Varun Okay sir. Thank you ,that's all I have.

Moderator Thank you sir. Next in line we have Sachin K. Sara from Lucky Securities. You may go ahead please.

Mr. Sachin Sir regarding the pesticides and the other businesses just wanted to clarify are we using the same distribution network that we use it for fertilizer or do we have separate distribution network for the same?

Mr. Nagarajan See as for the pesticides we have a dedicated dealer set-up. We operate on the standalone basis and we have a Pan India operation., while fertilizers we are predominantly operating Southern part of India, Tamil Nadu, Karnataka and Andhra Pradesh. pesticides has Pan India operations as well as a dedicated dealer network. With reference to the SND business again it's a Pan India operation and it goes along with fertilizers in the southern part of India and in other northern states it operates independently.

Mr. Sachin Sir most of the sales here are branded sales sir?

Mr. Nagarajan All are branded sales.

Mr. Sachin How would you compare in terms of pricing over competition, are we at a premium or we are at more or less same price as competition?

Mr. Nagarajan See in pesticides we have our main focus in specialties. In fact, almost 45- 50% of our product range is from specialties where we have our unique products. So there is no comparison with the competition. In respect of generic we are more or less in line with the competition. Again

in specialty nutrients also our pricing is more competitive compared to other players. We have premium pricing for our SND products.

- Mr. Sachin And do we also do in-licensing of brands for MNCs or its all our own products, sir?
- Mr. Nagarajan We have tied up with some of the MNCs BASF, with Bayer, Syngenta, we do sell their products.
- Mr. Sachin Sir I got in a little late, if you could help in terms of the volume I just missed that number?
- Mr. Nagarajan For the quarter we did about 8.39 lakh tons of sales of fertilizers. That is own manufactured fertilizers and the corresponding to the last year was 6.9 lakh tons.
- Mr. Sachin 8.39 doesn't include non-subsidy fertilizer, it is only the subsidy?
- Mr. Nagarajan No it is own manufactured fertilizers, in addition we did cross 1.85 lakh tons of imported DAP and MOP.
- Mr. Sachin Okay, So this total around 10 plus includes both subsidy as well as non-subsidy fertilizers?
- Mr. Nagarajan No I did not say non-subsidy, all manufactured as well as imported is subsidized only.
- Mr. Sachin In your talk you mentioned that 70% of the in one of the..
- Mr. Nagarajan That is different; I'm now talking only about the fertilizer sales.
- Mr. Shankar Just to clarify the 30% share is on the margin and not on the revenue, Share of non- subsidy revenue will be around 10%, and the contribution share will be 30%.
- Mr. Sachin And sir this 10%, what was it, this is 10% is from first half of our FY11?
- Mr. Nagarajan It essentially comprises our pesticide specialty nutrients and all those things.
- Mr. Sachin Okay and sir what was this CAV comparables last year first half, this 10% would-be?
- Mr. Nagarajan Around 8% or so. More or less they are on the same number. What happens is it depends on the direct turnover is higher in the current year the fertilizer base goes up then the percentage of the non-subsidy percentage comes down in the revenue.

Mr. Sachin Okay, thank you very much.

Moderator Thank you sir. Next in line we have Ashwini Agarwal from GM financial mutual fund. You may go ahead please.

Mr. Ashwini Good morning sir. Sir I joined a bit late in the conference so some of my questions may be repetitive. Sir can you give some color on the raw material because how do you feel the raw material part going for the next one year because as you see the subsidy is fixed but we are open to raw material prices and any kind of fluctuations can dent our profitability?

Mr. Nagarajan As I already mentioned see, the DAP prices have started moving up now. Earlier it was around 500, but so far as we're concerned we have tied up phosphoric acid right up to December and the price is \$780 which was more or less the same price prevailing right from April 2010. We aren't much affected because of the movement of DAP prices at this level, at this stage. But going forward if the prices go up then we will have to wait and see how we have to take up the matter with the government or in terms of increasing MRP.

Mr. Ashwini Sir is it possible that the government will increase the subsidy because the government has allowed you to make profits when the prices were around about \$500. So the government might say that we allowed the companies to make profits when the prices were 500 so they should also continue manufacturing when the prices are more than 800 or \$1000?

Mr. Nagarajan I don't expect any change in subsidy happening during the current year. But next year say from April 2011 there could be some change depending on the prices prevailing around that time.

Mr. Ashwini Sir if your costs overshoots your price will you suspend your productions?

Mr. Nagarajan No, we are not thinking on those lines at the stage because this is hypothetical. As I told you we are getting phosphoric acid at the same price of \$780.

Mr. Ashwini Okay and sir what was your net debt position as of the quarter end?

Mr. Shankar Total borrowings including working capital borrowings – 1500 crores and we hold bonds around 900 crores.

Mr. Ashwini Okay sir I will come back with more questions.

Moderator Thank you sir. Next in line we have Tarun from Sunidhi Securities. You may go ahead please.

Mr. Tarun Sir is there any price revision in MOP that has happened last month from your side?

Mr. Nagarajan No, there has been no change in our prices.

Mr. Tarun No MOP prices?

Mr. Nagarajan No.

Mr. Tarun And can you also guide me in terms of urea tonnage, that you would like to trade from Karaikal port that you are now allowed to trade into urea. What do we expect volumes to be given your restoration strength and demand in the Andhra and other southern regions?

Mr. Nagarajan We have started this operation in October. We hope to handle roughly about one shipment of say 50,000 tons every month. So probably this year around 2- 2.5 lakh ton could be possible. And this is going to be a regular activity for us.

Mr. Tarun Are you also looking to set up any urea plant or acquire any urea plant abroad?

Mr. Nagarajan Nothing is crystallized so far.

Mr. Tarun But the preference would be to acquire any urea asset abroad over setting up urea plant within India or you are not looking to have urea plant within India at all?

Mr. Nagarajan No we are not planning for any urea plant in India at this stage.

Mr. Tarun But then the option of acquiring somewhere and then selling it as imported urea is there?

Mr. Nagarajan Not in India.

Mr. Tarun Yes not in India but somewhere in Middle East or Africa where the plants are available and they are still cheaper is that a possibility?

Mr. Nagarajan Yes we didn't mention about it. We are looking at the options but nothing as crystallized.

Mr. Tarun Sure sir, thank you.

Moderator Thank you sir. Next in line we have Amit from Religare Assets. You may go ahead please.

Mr. Amit Just to get some more details on the volumes, can you specify what was the MOP imported this quarter?

Mr. Nagarajan During this quarter MOP imported sale was 95,000.

Mr. Amit So out of 1,85,000 total imported quantity..

Mr. Nagarajan 95,000 is MOP, 90,000 is DAP.

Mr. Amit Just for understanding purpose what determines this import of DAP, I mean what has to happen so that you can import and what is the dynamic of this import? When do you import and when do you don't import this DAP?

Mr. Nagarajan We import if it makes economic sense otherwise we don't import..

Mr. Amit And current production also basically whatever you have done annually it exceeds your capacity right, if you just analyze the current quarter's production of your coal manufactured fertilizers, it exceeds your capacity so to that extent now you are almost operating more than 100%, right?

Mr. Nagarajan No, as I told you we are close to 100% now.

Mr. Amit Okay and what was the expansion plans, I mean what will the volume expand to in next 2-3 years?

Mr. Nagarajan We are right now working on a small debottlenecking project which should get commissioned before the end of the year. That should give us an increase of about 2 lakh tons and we are also working on putting another granulation train in Kakinada. That should get completed around the end of 2011-12.

Mr. Amit How much that..

Mr. Nagarajan That should give us about roughly 6-7 lakh tons of extra material.

Mr. Amit Okay, thank you.

Moderator Thank you sir. Next in line we have Varun Chedda from Enam Holdings. You may go ahead please.

Mr. Varun Yeah good morning sir. Sir these two debottlenecking what you have mentioned, how much are you spending for this 2 lakh and 6 lakh expansion?

Mr. Nagarajan 2 lakh is not much, its roughly about 5-6 crores. The other one is about 330 crore. That's a major expansion.

Mr. Varun 330 crore. So this will get completed by next December 2011 or so?

Mr. Nagarajan Calendar year 2012.

Mr. Varun And after this 6 lakhs basically your install capacity will reach 3.6 million, right sir?

Mr. Nagarajan No it will be close to 4 million.

Mr. Varun And sir this plant is going on stream by June 11?

Mr. Nagarajan No it should not, it should go a little higher up that, between April and June it should start commissioning.

Mr. Varun And sir on 8 lakhs 39 volume can you break it up into DAP ammonium phosphate and SSP?

Mr. Nagarajan It is mostly complex; since we are doing imported DAP. We didn't do much of own manufacturing..

Mr. Varun And sir on the turnover breakup this 2757 crore if we can break it up into manufacturing, trading and subsidiaries portion because we get that figure on the annual basis.

Mr. Nagarajan See about 400 crores we can take that as traded volume.

Mr. Varun 400 crore is traded? And how much will be the gross subsidy figure there?

Mr. Nagarajan Subsidy figure I don't have, I will come back to you.

Mr. Varun Yeah not a problem. If you can get the subsidy figure for the quarter and the first half to the comparable to the last year.

Mr. Nagarajan Just one second, roughly 2550 crores is subsidy.

Mr. Varun 2550 crores?

Mr. Nagarajan 2500 crore I said.

Mr. Varun 2500 for the quarter?

Mr. Nagarajan Okay 2550 crore you can take.

Mr. Varun 2550 for the quarter. And can you give for the first half?

Mr. Nagarajan This is on the half year.

Mr. Varun For the half year, for the quarter sir?

Mr. Nagarajan	We will just revert to you.
Mr. Varun	Okay not a problem. And what will be the revenue number of pesticides in specialty nutrients, absolute figures?
Mr. Nagarajan	Well, I told you about 30% on non-subsidy business, 70% is from fertilizers.
Mr. Varun	Okay thanks a lot sir.
Moderator	Thank you sir. Next in line we have Prashant Poddar from Investment Core. You may go ahead please.
Mr. Prashant	Hello sir, thank you very much for taking the second question. Basically it is regarding the raw material tie-up that you're planning for the increased capacity. Could you throw some light on that?
Mr. Nagarajan	The requirement for the expansion project, most of the acid should come from TIFert. We have timed it in such a way that TIFert acid starts flowing we'll also be ready with our expansion project. So that is so far as phosphoric acid is concerned. Ammonia we do have a tie up with Mitsui already and we should be able to get the required ammonia without any problem. These are the two major raw materials.
Mr. Prashant	Okay and even today the raw material continues to be the biggest constraint for the Indian manufacturers?
Mr. Nagarajan	Phosphoric acid continues to be a constraint, ammonia I don't see much of a difficulty although the prices could be slightly volatile. But Phosphoric acid is definitely a constraint, but so far as we are concerned we have tied up with a number of parties including Foskor, South Africa GCT Tunisia Sterlite, we have tied up with a number of parties and we are able to meet our requirement.
Mr. Prashant	The other question is on the efficient raw material purchases that you mentioned. If I understand right we are already the most efficient raw material purchaser and earlier in the calls you mentioned the strategic relationship with Foskor helps you in getting the prices, which are less volatile than what it is for other people. So does this raw material sourcing help you when the prices are moving up only or does it help you also when the prices are moving down?
Mr. Nagarajan	No our relationship with Foskor and GCT is more for supplies than for the prices.

Mr. Prashant	Which should continue, that benefit should continue when the situation is?
Mr. Nagarajan	Yeah.
Mr. Prashant	Okay, thank you sir.
Moderator	Thank you sir. Next in line we have A Rajkumar from BNK Securities. You may go ahead please.
Mr. Vijayaraghvan	Yes sir this is Vijayaraghvan. Sir this quarter volume seems to be good and what is the demand outlook for the second half of this year?
Mr. Nagarajan	The demand is expected to be good, there has been a good rainfall across the country and thanks to that, the water levels have improved. All the reservoirs are virtually full, so we don't see any difficulty in selling. . .
Mr. Vijayaraghvan	How much of manufactured volume will be able to do this year sir?
Mr. Nagarajan	No our original target was close to about 3 million tons overall and we should be able to come close to that.
Mr. Vijayaraghvan	Okay and on the traded volume it would be 5 lakh tons?
Mr. Nagarajan	No traded volume we do only if it makes economic sense.
Mr. Vijayaraghvan	Okay sir then on the raw material price you said phosphoric acid continues to remain at the same level, \$780 and what is the prevailing prices for ammonia and sulfur?
Mr. Nagarajan	Ammonia is currently around \$400; sulfur is little close to \$200.
Mr. Vijayaraghvan	This work on spot basis or for this as well we contracted for full. . . .
Mr. Nagarajan	No all the contracts are only for supply part of it. Prices would be what is prevailing around that time. We do have some kind of a formula but they are all more or less linked to the international prices.
Mr. Vijayaraghvan	Okay, sir then on the profitability front if you adjust for the prior paid period subsidy and reversal of the commission what we made last quarter the profitability on the fertilizers segments seems to have come down at least by way of looking at the numbers. Is it right in that way or am I missing something on that?
Mr. Nagarajan	See the EBITDA after excluding one time income comes to 13%. It is more or less in line with our annual EBITDA and also the corresponding period of the last year.

Mr. Vijayaraghvan Okay sir then looking at your balance sheet whatever you have given in the notes, at the consolidated level fixed asset has increased by over 240 crores and standalone it has remains flat year-on-year but at the consolidated level the fixed asset by 240 crores and what is this CAPEX and which subsidy we are invested in this?

Mr. Nagarajan We have 15% stake in Tifert project that is under implementation and this fixed assets represents 15% of the TIFERT Capex reckoned in our consolidated financial statement.

Vijay Raghavan Okay what is the total project cost of the project?

Mr. Nagarajan It will be about \$500 million.

Vijay Raghavan Okay and the cash level at the consolidated level is on the higher side

Mr. Nagarajan Yes we have taken a share of their balance unutilized money

Vijay Raghavan Okay thanks sir, thanks.

Moderator Thank you sir. Next on line we have Sage Raj Baria from Angel Broking, you may go ahead please.

Sage Raj Baria Yes sir, you mentioned sales mix 70% is subsidy and 30% non-subsidy how would the profit mix be like.

Mr. Nagarajan Well we never said 30% sales from a non-subsidy we said at the profitability level 30% comes from non subsidy

Sage Raj Baria It is around 10%.

Mr. Nagarajan - is at the top level.

Sage Raj Baria Okay and sir in terms of this retail thing, how is the expansion in profitability, is it profitable currently?

Mr. Nagarajan In the current quarter, retail business reported profits

Sage Raj Baria So, I mean predominantly I believe Andhra Pradesh market now are you planning to expand, do you have some ideas on that, how is that working out?

Mr. Nagarajan We have started working in Karnataka shops have not yet opened but we are planning to open about 20 centers in Karnataka, right now we are only in Andhra Pradesh.

Sage Raj Baria Okay fair enough sir. On agrichemical we are pan India player, but how do the sales mix look like, I mean do you still, in the north side or the east west you are still lower compared to south or do you feel?

Mr. Nagarajan Fertilizer are only sold in south Maharashtra and eastern India.

Sage Raj Baria No, I am still talking about agrichemical.

Mr. Nagarajan Agrichemical okay sorry, it is relatively lower compare to south obviously our volumes are higher in Andhra and Karnataka, we are trying to improve, we have some accelerated growth plan in north also Punjab, chathirsgarh, we are improving volumes in the north and we have increased our turnover in Gujarat as well.

Sage Raj Baria Okay sir thank you.

Moderator Thank you sir. Next on line we have Madhu Chandan -- from Kotak, you may go ahead please.

Madhu Chandan Yes I have couple of questions, first this 197 crores prior period adjustment that you did was there any similar entries in Q2 of FY10?

Mr. Nagarajan No, this 197 as I said is difference between the final rate of subsidy announced by government and the rate which we have reckoned.

Madhu Chandan Okay so in that case the previous year EBITDA margin actually what you said was that if we knock that off that 197 crores from your EBITDA, then this 552.26 minus 197 works as to 355 crores, okay on turnover for the 2600 something as you would do exclude it from the top line as well. Whereas in the Q2 of last year you had a 335 crores kind of an EBITDA so is there any element of profitability which is different in this quarter compare to corresponding quarter?

Mr. Nagarajan See, last year we were also accounted for prior year subsidy income in 2009 -20010

Madhu Chandan Okay that is a like-to-like comparison.

Mr. Nagarajan Yes so if you remove that on overall basis the EBITDA margin should be around 12% to 13% -

Madhu Chandan Right blended EBITDA right. And in this EBITDA which you have reported and I am taking it as 355 crores, you meant to say 30% of that, well this is about 107 crores that would come from you non-subsidy business?

Mr. Nagarajan Yes that is right.

Madhu Chandan And which is 10% of your adjusted top line?

Mr. Nagarajan Yes.

Madhu Chandan _ Okay and what is basically the company's internal target in terms of the top line contribution going to 30%, 40% or the EBITDA contributing to 40%?

Mr. Nagarajan look at the bottom line and not the top line. Top line fertilizer will continue to dominate due to high prices, See just to clarify you non-subsidy income comprises of our gypsum sales, pesticides, specialty nutrient, and retail business right now we are at 30% of gross margin and we would like to move towards 50%.

Madhu Chandan That is for FY13?

Mr. Nagarajan I mean next two three years timeframe we are looking at

Moderator Thank you madam, next on line we have Ram Hegde can you go ahead please.

Ram Sir hi, I just wanted some clarity on the Shell deal, I mean you already have sulfur base grow more products, so I am curious, how this would different of, I mean what does this similar product but different margin structure?

Mr. Nagarajan This is different from G Sulphur which is sold as micronutrient. In the proposed shell deal, we will be adding sulphur directly to our existing grades of complex fertilisers.

Ram Now, does this mean if the manufacturing technology is that given to you -

Mr. Nagarajan Yes

Ram And to the extent from a layman's term because we are short-circuiting the manufacturing process of sulfur in a way, like a should give better margins - that you to extent you might pass on some royalty for technology.

Mr. Nagarajan The sulphur based fertilisers will give higher yield and improve productivity for the farmers. We can be more competitive in the market place.

Ram And once you go on the DAP fully expand bases just could you give me a sense what phos acid requirement would be and how much would really come from captive plus your existing arrangement of Foskor and GCT how much you would need to buy from spot really?

Mr. Nagarajan We are adequately covered on Phos acid.

Ram Okay so that quantity would not change to the extent -?

Mr. Nagarajan That quantity should not get affected.

Ram And both the expansions would coincide with the TIFERT capacity very much?

Mr. Nagarajan Yes that is why we started the work in such a way that the moment acid starts flowing we will go for expanded capacity.

Ram And you said the retail business this quarter has been profitable, did I hear that correctly?

Mr. Nagarajan Yes you are right.

Ram And I do not know how you all account or if the retail stores also sell your fertilizers, how do you really allocate the cost there?

Mr. Nagarajan We operate on arms length transfer pricing principle for retail operations

Ram And on micronutrient and water-soluble could you just give us sense of what sort of volumes that you are running with right now?

Mr. Nagarajan We are the market leader in all the products what we are operating in specialty nutrients as far as G-sulfur and water soluble fertilizers We have also grown by almost 15% in volumes over the last year in the corresponding period.

Ram 15% volume growth.

Mr. Nagarajan Yes, volume growth.

Ram Okay thank you very much.

Mr. Nagarajan Thank you sir. Next on line we have Gauri Anand from MF Global, you may go ahead please.

Gauri Anand Thanks for taking my question. Sir, as you said in the last call, you had indicated volume of about 3-3.2 million and in the first half you have done about 1.4 and given that Q4 is lean is there a risk to this number sir?

Mr. Nagarajan Q3 is a busy season. Q4 goes almost up to end of February so we do not see any discontinuation. And in any case a production is the main thing and the production will continue. Sales will depend on the when the season ends but we do not see much difficulty in achieving close to the targeted volume of 3 million.

Gauri Anand Okay sir and could you just give us a break up of other income sort for the quarter sir?

Mr. Nagarajan The other income essentially interest income, interest from the bonds and the interest on the surplus money invested in mutual fund.

Gauri Anand Okay there is no other element of there?

Mr. Nagarajan There are no significant thing.

Gauri Anand Okay, sir just really hypothetical but there are talks that there is some regulatory framework which may change in favor of urea if at all anything favorable happens in urea would you at all look expanding your urea business in India sir?

Mr. Nagarajan In any case we have been looking at urea as one of the options but not really in India because we feel the gas price is quite high and it may not make economic sense to put up an urea plant in India, but we are definitely looking at urea as another options in some of the countries where the gas prices are lower.

Gauri Anand Okay thank you so much sir, thank you.

Moderator Thank you madam. Next on line we have Rohan Gupta from MK Global Financials, you may go ahead please.

Rohan Gupta Hi sir morning. Sir, you just mentioned that like non-fertilizer business, non-subsidy business basically contributed almost 8% of the turnover last year, so first half was some around and you have Rs. 3100 crore revenue it would have been 250 crores from last year, which it says roughly 10% of current first half 400 crore so are we indicating sir almost 60% growth Y-o-Y in this non-subsidy based business?

Mr. Nagarajan I will not be guided by those percentages. Also as Shankar explained both pesticide and specialty nutrients have shown a good growth during the quarter as well as during this first half. The turnover growth over the last year in the non-subsidy business was around 35%.

Rohan Gupta Sir, my second question on raw material one thing on phos acid, as from the Q1 itself you have almost tied up your phos acid at \$775 to \$780, if I remember correctly sir when the government came with NBS policy they have taken base price of phos acid as \$710

Mr. Nagarajan Sorry they took the base price of DAP at \$500, there are no base price of phos acid.

Rohan Gupta Okay so if we work backward calculation of DAP to phos acid that comes to \$700 to \$710?

Mr. Nagarajan How have you arrived at it I cannot understand

Rohan Gupta Okay so considering from that our prices have almost remain same at that and the company is given the chance to increase prices by almost 6% to 8% among DAP and complex fertilizers. So we have taken all the benefit and it has improved our profit margin because there has been hardly any cost increases have happened.

Mr. Nagarajan No Phos Acid cost has not increased. But there has been some fall in the prices of some of the raw material will make it to. But now again the prices have shot up. So its a changing scenario, if you look at it in overall term our margins have remained stable compared to last year.

Rohan Gupta Okay and as well as the FOREX goes sir at that time I think rupee-dollar was taken at 46.50. So considering on rupee dollar..

Mr. Nagarajan Currently it is 46.

Rohan Gupta Okay so currently it is Rs 44 per dollar so are we likely to gain from this FOREX movement also positively?

Mr. Nagarajan There will be pluses and there will be minus also. Ammonia prices have moved up little bit, so there will always be some pluses and some.

Rohan Gupta Okay sir thanks.

Moderator Thank you sir. Next in line we have Ashwini Agarwal from GM Financial Mutual Fund. You may go ahead please.

Mr. Ashwini Hello sir. You have some land in Thane? What is a plan for it and what is the status currently?

Mr. Nagarajan The land is very much with us.

Mr. Ashwini And sir what are your plans for the land going forward?

Mr. Nagarajan Nothing has been firmed up as of now.

Mr. Ashwini Okay, and sir any headway on listing of Foskor?

Mr. Nagarajan No not yet. They very much continued to be an unlisted company.

Mr. Ashwini Okay, sir we don't see them getting listed within next one year or two years.

Mr. Nagarajan I am not the right person to answer this question.

Mr. Ritesh Okay thank you.

Moderator Thank you sir. Next in line we have Dixit Mittal from Alchemy Shares. You may go ahead please.

Dixit Mittal Good morning sir. Sir I just have question like if you see the Q1 to Q2 the phosphoric prices is more or less stable but the ammonia prices have gone up. But on the consolidated basis your margins have also gone up, like can you give the specific reason for this expansion in margins Q2 as compared to Q1?

Mr. Nagarajan Firstly ammonia prices have started moving up only recently. Ammonia prices have remained firm till end of September. Recently last one month or so prices have started moving up. The margins have improved mainly because we were able to procure our raw materials at a much efficient manner.

Dixit Mittal Okay, sir so you any contract for ammonia as well you said phosphoric acid you have probably till third quarter. Ammonia do you have any long term....

Mr. Nagarajan We have supply contracts.

Dixit Mittal	Okay, sir fixed price or its . . .
Mr. Nagarajan	These are at international prices.
Dixit Mittal	Okay sir, if like recently the ammonia prices shot up so that may effect your margins going forward?
Mr. Nagarajan	No as I told you there are always pluses and minuses. You have once ammonia prices gone up then the exchange is improved. We take a total view.
Dixit Mittal	Okay sir, thanks a lot.
Moderator	Thank you sir. Next in line we have Sachin K Saraf from Lucky Securities. You may go ahead please.
Mr. Sachin	Could you throw some light on SSP strategy I believe that is also been decontrolled and there is also good volume off take there. So what is your plan on SSP, there I think the volumes are pretty small for us?
Mr. Nagarajan	No we do have a plant in Ranipet but it produces to about 1.2 to 1.3 lakh tones of SSP. It will continue to operate. We are looking at the possibility of expanding the capacity there at Ranipet.
Mr. Sachin	Right now this plant is working at full capacity, the existing 1.2 lakh tones sir?
Mr. Nagarajan	1.2 lakh tones is the capacity. In the half year we have done in line with the capacity.
Mr. Sachin	Secondly sir one question related to balance sheet. Cash level gone down compared to March, any specific reasons?
Mr. Nagarajan	No we had fixed deposits in banks in the year end which is reflected in the cash balance. We have subsequently drawn that in April and utilize it for the operation.
Mr. Sachin	And this one on Thane land sir, could you help in terms of there are any operations right now there, where is located?
Mr. Nagarajan	The all plants and operations have been shifted to ankaleshwar. No production is happening in Thane .
Mr. Sachin	Okay, where exactly is it located in Thane, what will be the area of the land if you could just tell?
Mr. Nagarajan	No that's not in the public domain at this point of time.

Mr. Sachin	Okay.
Moderator	Thank you sir. Next in line we have Tarun Surana from Sunidhi securities. You may go ahead please.
Mr. Tarun	I would like to know is there your manufacturing in pesticides and what was the capacity of it or you are doing sub contracting through outside?
Mr. Nagarajan	Our Technical facility is in Ankaleshwar and we don't have any sub contracting arrangement at this point of time. We have formulation facility in Ranipet, Tamil Nadu and we two formulation units in Jammu.
Mr. Tarun	What would be the overall capacity and volume potential from pesticides on the current capacities and any expansion plans on that?
Mr. Nagarajan	Currently we can produce around 12000 tonnes of technical grades in Ankaleshwar. We have plans to introduce 2-3 new technicals over the next 1 or 2 years.
Mr. Tarun	12000 per annum?
Mr. Nagarajan	yes
Mr. Tarun	Rather question is we are trying to take EBITDA of 30% on non-subsidized business to 50%. What will be the key drivers, is a pesticide business, is it specialty nutrient, where we will focus?
Mr. Nagarajan	No all the three will grow. In fact pesticides, specialty nutrients and the retail business all the three will contribute increase in share. Especially in retail business where we scale up sale of agrichemicals as well as specialty nutrients and compost. We are also entering into new businesses like farm mechanization which will improve our overall possibility of retail business.
Mr. Tarun	Sir within the current retail format that you have, what would be the sales other goods compared to fertilizers or pesticides. You are selling the FMCG and other products, which are being used by the families of the farmers.
Mr. Nagarajan	We focus more on our fertilizers and pesticides and agri products and our non-agri at this point of time is not substantial.
Mr. Tarun	What would have been the total volume and sales for retail business except fertilizer of your own that you are manufacture and trade?

Mr. Nagarajan Its around 90 crore in the first half other than the fertilizers.

Mr. Tarun And sir can you share your long-term phosphoric acid supply outlook, whether the supply is in the world coming through or how easy or difficult will it be for someone would have not have any supply tie up or does not have any equities stake in phosphoric acid companies.

Mr. Nagarajan I already replied to this question somebody has raised the same question. And just now I replied to it. Our requirement is going to be 1.2 million tones and..

Mr. Tarun And I am talking about the industry outlook if you can..

Mr. Nagarajan I won't be able to comment about the industry. I can only talk about what our requirements and how we have traded. How others have traded it's difficult for me to answer.

Mr. Tarun But is a very difficult to get phosphoric acid without having a equity tie up with manufactures.

Mr. Nagarajan Obviously, nobody is going to give free without any investment. Phosphoric acid is very critical and scarce commodity.

Mr. Tarun Okay, sure sir and on sulfur I believe within India there will be lot of availability because sulfur is not a concern. The main area of concern for availability is phosphoric acid in this business.

Mr. Nagarajan I don't know, who said sulfur is available in plenty in India.

Mr. Tarun Not is going to be available once the refinery capacity will come in sulfur surplus among the oil refineries that will be expanded may be.

Mr. Nagarajan As far as I know in spite of it more than 50% country's requirement had to be imported. I don't think not much of sulfur is available.

Mr. Tarun And on ammonia you said the prices keep on fluctuating, does your prize changed based on, what is the CFR price in the world market as of today or it's based on monthly average? Like how does it happen, when you contract for the shipment, the prices taken as the date of shipment or average price for that month, how does it work?

Mr. Nagarajan I already replied for this question. The prices are based on they are all international prices and whatever prices prevailing that we will pay.

Mr. Tarun	Okay thank you.
Moderator	Thank you sir. Next in line we have Anup Vora from PTS Securities. You may go ahead please.
Mr. Anup	My question was, government of India recently put microirrigation in the mission mode and they have allotted some few thousand crores. So water soluble fertilizers is going to be a big area going forward. So are we trying to ramp up capacities in that exclusively that is one and the second question was about customized fertilizers where you know micronutrients are also added to the existing complex as well as area or anything which is a very small business may be now going forward do we have any special plans for that?
Mr. Nagarajan	As far as water-soluble fertilizer is concern we are also putting up a joint venture project along with SQM, Chile in Kakinada that should get commissioned by next year April. Customized fertilizers we do have a facility. We are right now working on the economics of that.
Mr. Anup	Okay. Approximately the size of that plant itself if you are going in for it should be not very big is it right?
Mr. Nagarajan	15000 ton capacity.
Mr. Anup	Okay thank you very much.
Moderator	Thank you sir. Next line we have Kranti Ganjitkar from IFC Financial Service you may go ahead please.
Kranti Ganjitkar	Sir I wanted to know on that shell research agreement you said that you will be incorporating sulfur directly so whether you will be stopping production of sulfuric acid after two to three years?
Mr. Nagarajan	No we continue to use acid for current grades. We will be adding sulphur directly for our new grades
Kranti Ganjitkar	Okay it is for the new products, which you all be introducing?
Mr. Nagarajan	Yes

Kranti Ganjitkar Okay and sir once you introduced this new sulfur product what will be your growth in the sulfur requirement as such from the existing levels?

Mr. Nagarajan No we are trying to take 5% of the current volume of complex grades what we are manufacturing. We may be looking at 5-10% of the total volume towards the sulfur based complex grades.

Kranti Ganjitkar Okay your requirement of sulfur will increase by 5-10% you are saying.

Mr. Nagarajan Yes it will not be substantial.

Kranti Ganjitkar Okay sir thank you.

Moderator Thank you. Next in line we have Ritesh Doshi from _____ Shareholders, you may go ahead please.

Ritesh Doshi Sir in sulfur coated fertilizer how much percent sulfur you would like 1, 2, 5% like?

Mr. Nagarajan It varies. It may be 5%, 8%, or 12% depending on the underlying grades. For DAP it go up to 12% and for some complex grades it is up 7% and 8%.

Ritesh Doshi So it can go up to 10-12% and you can have a 5% rise on MRP also.

Mr. Nagarajan That is right.

Ritesh Doshi Sir can you give some color on expected margins on imported urea or are you just doing brand building in that?

Mr. Nagarajan There will be some margin but it may not be significant. Any traded products, the margins are normally lower.

Ritesh Doshi Sir can you throw some light how globally we are competitive as far as manufacturing costs are concern like?

Mr. Nagarajan We are one of the lowest cost manufacturers even at the global level.

Ritesh Doshi It is fine. Sir you see the trend of other raw material prices increasing in Q3 as compare to Q2 so do you see a downward pressure on margins in Q3?

Mr. Nagarajan As I have told you we have already contracted for phosphoric acid at \$780 so there is no increase at all there. Ammonia price has gone up but the rupee exchange has improved. So we are taking overall view about it.

Ritesh Doshi	And sir how much is agri products turnover in our retail like if you said 90 crores was non-agri in first half, how much would be agri products in first half in our retail?
Mr. Nagarajan	Agri products turnover do not get into retail turnover because it gets accounted in the main business. see whatever own products are sold through retail a turnover gets accounted in the respective business
Ritesh Doshi	Thank you very much and all the best.
Moderator	Thank you sir. Next in line we have Kamal Gara from UTI Mutual Fund you may go ahead please.
Kamal Gara	Hello sir just wanted to understand what kind of global capacity additions we are seeing in the next two to three years in DAP?
Mr. Nagarajan	Saudi Project is getting commissioned
Kamal Gara	So the Saudi Arabian is how much capacity is carrying?
Mr. Nagarajan	I need to check on that, I do not have the figures right now.
Kamal Gara	And this would be which one, this would be ammonia plant or DAP plant?
Mr. Nagarajan	DAP / Complex
Kamal Gara	And apart from Saudi Arabia, do you think any others?
Mr. Nagarajan	Others are thinking about it, I do not know anything has really happened. There is supposed to be an expansion in Jordon
Kamal Gara	Do you think this kind of additions would result in may be lower prices or prices where they are today?
Mr. Nagarajan	The demand is also growing now. Demand is growing more than 5% at least in India and some other countries like China, demand is growing.
Kamal Gara	Okay, thank you.
Moderator	Thank you sir. Next on line, we have Sujit Jain from AMS Securities, you may go ahead please.
Sujit Jain	Sir what is your current stake in Foskor?

Mr. Nagarajan	14%, no change.
Sujit Jain	Any plans to increase that stake sir?
Mr. Nagarajan	Not at this stage.
Sujit Jain	And for the 1.5 lakh tons that we do on spot on phosphoric acid or plan to do with our increased capacity of 4 million tons, any plans of any tie-up or a JV manufacturing?
Mr. Nagarajan	No, we have not brought it into tie-up at this stage. It is TIFERT which is getting commissioned next year.
Sujit Jain	Thank you sir.
Moderator	Thank you sir. Next in line, we have followup question from Ram Hegde from CMS Investments. You may go ahead sir.
Ram Hegde	Sir just a question on the number, sorry I missed it. You said basically 197 crores roughly was Subsidy from previous period. So if I just add to your top line and even EBITDA level that EBITDA margins come to around 12%, that is what you have said right?
Mr. Nagarajan	Yes.
Ram Hegde	And you said the previous year, the same period had 155 crores of subsidiary recede again pertaining to some previous period?
Mr. Nagarajan	Right.
Ram Hegde	Thanks, that is all I want to clarify.
Moderator	Thank you sir. Next in line, we have follow-on from Gauri of MF Global. You may go ahead please.
Gauri	Sir just wanted to know if you could give us some details about what is exactly that you are thinking in urea, do you want to buy out asset abroad or is it that you want to construct an asset abroad and typically what size you are looking for or would you want to take a stake, could you just give some idea as to how you want to enter the urea business that is one and second this year's Subsidies have been capped at about 50,000 crores or so. So are we set of hearing any number for next year or what levels they will be fixed or it will be closer to the time when it will be notified if you can jut run us through these?
Mr. Nagarajan	Answering the second question first, this year itself we expect the subsidiary more than 52,000 crores which are the original allocation. It is close to 70-75000 and our information is the government may come up

with some additional allocation. So next year probably I would expect them to fix it around the same level and depending on the price movements, they may allocate more resources and they may leave it at 50,000 crore. As far as your query on urea, yes we are looking at various options. It could be through a stake in the joint venture or it could be putting up a plant, various options are available. Yes, we are looking at whatever is possible we will do that.

- Gauri But what is the scale? Would you want to export all of that into India and sell urea as a product or would it be use in complex fertilizer?
- Mr. Nagarajan Too premature we will come to conclusion, then we will be able to share anything with you.
- Gauri Sir one more thing, how has the consumption grown in the first half in phosphatic space.
- Mr. Nagarajan I do not have any information, but it is almost close to 5, more than 5%.
- Gauri It is largely led because of good monsoon.
- Mr. Nagarajan Actually it has moved from 9 million tons to 11 million tons.
- Gauri But all of this is because of good monsoon or?
- Mr. Nagarajan Good monsoon and increased usage of complex fertilizer.
- Gauri So what do you think where would be the growth rate going forward and would this kind of a growth rate be sustainable.
- Mr. Nagarajan Demand has been growing. So we should be able to grow and then it depends on your capacities. So as far as we are concerned, we are right now working on 3 million ton. We hope to take it up to 4 million ton in the next 2 years.
- Gauri Thank you sir.
- Moderator Thank you ma'am. Next in line, we have follow-on from Hitesh Doshi of ____ Holders. You may go ahead please.
- Hitesh Doshi Sir can you throw some color on organic fertilizer business and how we would like to ramp it up over next 2 years?
- Mr. Nagarajan We have started this business about 2 years back with a small volume. Last year, we did close to about 80,000 tons. We have done that volume already in the first half. So we did scale it up . We are starting our own dumps besides hiring the dumps of other people.

Hitesh Doshi	But can you throw some light about what kind of your expected volumes say 4, 5 years down the line from this business?
Mr. Nagarajan	Our vision is to take it about a million ton.
Hitesh Doshi	Just one million ton in 5 years?
Mr. Nagarajan	Yes.
Hitesh Doshi	And sir we read in newspaper that complex fertilizer volume sales grown some 60% year-on-year and is it right or like?
Mr. Nagarajan	As far as the data that we have, it is around 20% is the growth that we have seen.
Hitesh Doshi	In the sector?
Mr. Nagarajan	In complex.
Hitesh Doshi	Yes across all the manufacturers.
Mr. Nagarajan	Right.
Hitesh Doshi	And sir any plan to increase inland production of phosphoric acid through imported rock phosphate root?
Mr. Nagarajan	Not at this stage. We are currently around 2 to 2.5 lakh tons. That is the level in which we should be able to end up.
Hitesh Doshi	Thank you very much sir.
Moderator	Thank you sir. At this time, there are no further questions from the participants. I would like to hand floor back to Mr. Amit Mishra and Mr. Nagarajan for final remarks. Over to you sir.
Amit Mishra	Amit this side, thanks Mr. Nagarajan, thank you for your time. It was a good session and just wanted to say thanks again.
Mr. Nagarajan	Thank you Amit.
Moderator	That does conclude our conference for today. Thank you for participating on Reliance conference.