

Q4FY12 Post Result Conference Call Transcript

Representative:

Mr. Kapil Mehan – Managing Director

Mr. S. Sankarasubramanian – Chief Financial Officer

PL Rep.:

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Operator

Please note that this conference is being recorded. At this time, I would like to hand the conference over to Mr. Manish Mahawar from Prabhudas Lilladher. Thank you and over to you, sir.

Manish Mahawar, Prabhudas Lilladher

Thanks Lavina. Good afternoon everyone. Welcome to the earnings call of Coromandel International. We have Mr. Kapil Mehan, Managing Director and Mr. Sankarasubramanian, CFO of the company. We will start with brief opening remarks from the management followed by Q&A session. Now, I would like to handover the call to Mr. Mehan. Over to you, sir.

Kapil Mehan, Managing Director

Good afternoon everybody and thanks Manish for the opening remarks and the introduction. Welcome once again to our quarterly call. Let me start by dealing a little bit on the global agri scenario. As far as the agriculture is concerned, year 2011 has been by and large quite a good year.

I think the production in most of the regions has been good, barring a few hiccups in South America and little bit of warm weather in North America but otherwise, I think season has been good. Commodity prices have been by and large holding on to high levels, barring few declines that we saw as a result of the European crisis sometime towards last quarter of 2011 and which sort of continued. But now, I think the commodity prices are looking better as per the latest reports from USDA as well as other reports that are coming in.

The global fertilizer demand is estimated to have gone up by about 3% from 172 million MT to approximately 178 million MT of nutrients. This is a growth of about 6million MT over last year. The global nutrients production also has been generally good and in line with the demand. But since December, the demand has been somewhat subdued primarily on account of demand slowdown in Europe due to credit concerns and that has spread to other markets as well.

The January-March quarter of this year has not been so good for the global fertilizer demand and production and that is what saw the price corrections taking place in the period December to February. March onwards we are seeing again an uptrend in the prices of most of the commodities. Of course, the price increases are not same in every commodity and nitrogen prices have corrected back to more or less the same levels as before the European crisis. But prices of phosphates have not corrected to the same levels.

On potash, the prices have generally held on because producers were able to cut back production and tried to match supplies with the demand.



Coming specifically to the Indian scenario, total sale of fertilizers went up by about 1m MT from 57m MT to 58m MT. Urea went up from 28.2m MT to 29.5m MT. The DAP sales came down from 11.3m MT to 10.8m MT; complex fertilizers have grown from 9.8m MT to 11.1m MT. MOP has gone down due to lower availability in the first half of the year. SSP and others have more or less held on to same level around 4m MT. These are the sort of preliminary estimates which are available for the period April '11 to March '12. This year, there has been a surge of imports of complex fertilizers. Last year, it was about a 1m MT and this year the imports have are estimated at close to 3.7m MT which has led to a bit of an oversupply scenario in the market

The production by and large in India has been good. DAP production was up, complex fertilizer production was somewhat down but these are interchangeable capacities. The SSP production has been better. Overall, the production is about 4 lakhs-5lakhs MT less than what it was last year. Urea production has also held on to about 22 million MT as compared to last year. So, broadly that covers what happened to the Indian fertiliser industry in 2011-12.

Coming to price levels, last year was a watershed year in the history of Indian fertilizer industry where DAP prices moved up from Rs.11,700 MT at beginning of the year to Rs18,200 MT towards the second half of the year. This price rise was primarily due to two factors, one the hardening of the global fertilizer prices for DAP, and secondly the exchange rate going up from a steady level of Rs.45 to Rs.49, and then from Rs49 to Rs52 by end of the year. We are yet to see these high prices having a a serious impact on the demand. The preliminary reports we've received, indicate that the farmers of cash crops are quite bullish in terms of their crop prospects as well as the usage of inputs.

The MSPs that are likely to be announced soon for Kharif Crops would factor in the increase in fertiliser prices that happened late last year. The increase in fertiliser prices were not factored in when the Rabi prices were announced in October, but we now believe that agricultural prices commission has taken cognizance of fertiliser prices. The CACP, based on whatever we hear, has recommended a much higher increase in paddy MSP of paddy compared to last year and the same is likely to be reflected in pulses and other grains as well as in oil seed prices.

I think so long as the crop prices keep pace with the input prices, there should not be any worry on demand for fertilizers. So, that's really the overall scenario in which we operated. The long term story of food prices as well as food consumption and agricultural production and the need for higher production continues to be intact and it has played out quite well during the year despite the increase in prices. We do not see the prices of agricultural commodities coming off as sharply as other commodities and they have rebound back also reasonably well. We are very confident that going forward the farm economics will continue to be quite robust, which will encourage farmers to intensify their agricultural operations and try to produce more and more from the available lands.

Of course, we will continue to see minor hiccups, aberrations on a crop-to-crop basis, on period-to-period basis but on a long-term basis even if you take a span of two to three years, we see a positive trend..

So far the estimates for increase in food grain production are at 2.5%, but we believe that it will be higher. Recently the third estimate on food grain production has come out and that is putting the number at 252.5m MT as compared to 250m MT which was the second estimate. Our own assessment is that the final estimate will throw up even a higher number than 252.5m MT .

Let me now come back to the Company's results. Overall the company's operational performance has been very good during the year. Our Consolidated sales have grown 29% from Rs7,639 crores in the previous year to Rs9,901 crores in the current year and the consolidated net profit as reported has come down from Rs693.67 crores to Rs638.79 crores. We have non-compete fee that has been charged off in the P&L this year adjusting for that, Current years consolidate dnet profit will be more like Rs.670 crores versus 694 crores reported last year. Secondly, and if you go through the note number 7 given along with the results you will note that last



year we had Rs226 crores of prior period subsidies and this year that subsidy number is much less at Rs46 crores. So if you give cognizance to this change last year's consolidated operational net profit stands at Rs536 crores versus this year's number of Rs638 crores which is a growth of about 19% over last year and which is fairly in line with what our top line growth.

You would also appreciate that being largely a bulk commodity business, the margins in terms of percentages can sometimes be misleading. Overall our rupee margins have grown over the last year quite significantly. Our finance costs are also higher because of general increase in the interest rates during the year as well as year-end receivables being higher than normal as the subsidies got delayed because the government ran out of budget. This year we have subsidy bills pending since December whereas last year I think government was able to clear the bills up to most of January.

Further, in order to maintain our market share we also had to resort to off-season sales in an aggressive manner and that has helped us to just about maintain our market share. We sold 9.13 lakh MT of fertilizers in the fourth quarter of current year which includes urea distribution of 1.63 lakh MT and MOP of 0.45 lakh MT as compared to 5.66 lakh MT (including 1.24 lac MT of Urea and 0.24 lac Mt of MOP) last year. DAP and complexes which are our own major line of fertilizers our fourth quarter sales increased from 4.18 lakh MT in the previous year to 7.32 lakh MT in the current.

On an annualized basis, we sold 32.72 Lakh MT in the current year (including urea distribution of 2.64 lac Mt and Mop of 1.37 lac MT) as compared to 30.62 Lakh MT last year (including urea distribution of 1.98 lac MT and MOP sale of 1.63 lac MT). overall sales growth is about 6.9%. Coming back to sale of DAP and complexes, industry wide sales during the months of February- March itself has been of an order of about 47 -48 lakh MT and our market share which is around 14%-15%, has been maintained by undertaking sales on credit.

That is getting reflected partly in our interest costs going up as well as our debtors going up as compared to last year. So, overall we are very satisfied with the performance of the company and we look forward to a good season coming ahead. I think monsoon forecasts are coming out and so demand fundamentals are likely to be reasonably good, global supply situation is reasonably sound. We expect far more production of phosphates as compared to last year. Tunisia should do better as compared to last year because the civil situation is much better today than as compared to last year because it is still not absolutely normal, but as compared to last year there is a significant improvement.

Coming to our expansion projects, our Kakinada plant which is under construction is on schedule and is progressing well. On TIFERT there has been little bit of a set back as compared to what we had communicated last time but now I think the work is going on in full speed and we expect that commercial shipments should start by September from that plant. We had our team, along with GSFC, visit the site and see the facilities and the most of the facilities are now under pre commissioning trial stage., By August we should have the commercial production starting and we expect that first shipment should sail out of Tunisia by September, but civil situation is still not normal.

With these opening remarks, we can now start the Q&A session.

Operator

Thank you sir. We'll now begin the question and answer session. Our first question is from line of Prakash Goel from ICICI Securities. Please go ahead.

Prakash Goel, ICICI Securities



Good afternoon sir. I have three questions. The first one is the volume outlook for FY13 primarily on the back of inventory buildup in the system in the Q4 this year. And a second is about the debtors, what is the split between government and the distributors? These are the two questions with regard to the fertiliser and then I'll come to the Sabero.

Kapil Mehan, Managing Director

AS far as fertilizer volumes are concerned we expect that we would see the sale of fertilizers going to about 60.5 million MT to 61 million MT on an annualized basis. There may be a carryover stock in the pipeline to the extent of 2 million MT to 3 million MT. So which means that total availability which is getting carried out over into next year would be to the tune of about 2.5 million-3 million MT. As you are aware that part of demand for Phosphatic fertilizers as well as urea etc is met through imports and we are seeing signs that imports contracts are not yet finalized and the global suppliers are also aware of the ground situation here.

Prakash Goel, ICICI Securities

So you mean to suggest that the own production volume growth would be on a normative curve?

Kapil Mehan, Managing Director

I think own production should be normal for us. We will see the start-up of our C train by September-October should also add to our production. The only constraint that we see at this point of time is the adequate availability of phosphoric acid because of the continuous tightness in the global market. That's why last year our production was somewhat lower and that tightness will continue. As far as debtors are concerned, I think Shankar will brief you.

S. Sankarasubramanian, CFO

Receivables from the market are Rs887 crores and the subsidy receivables from the government are Rs1,625 crores.

Prakash Goel, ICICI Securities

Sorry, I'm confused. Your total trade receivable, you said Rs887 crore?

S. Sankarasubramanian, CFO

Yes.

Prakash Goel, ICICI Securities

And out of this government subsidies receivable?

S. Sankarasubramanian, CFO

Government subsidy is over and above this. Due from the market is Rs887 crores and due from the government is Rs1,625 crores.

Prakash Goel, ICICI Securities

Where does that appear in the current asset, the government subsidy?



S. Sankarasubramanian, CFO

Short term loans and advances.

Prakash Goel, ICICI Securities

Is this is a classification change. **S. Sankarasubramanian, CFO**

We have been reporting the subsidy under short-terms loans and advances. It continues to be the same way

Prakash Goel, ICICI Securities

Fair enough. My next question is about Sabero turnaround. This company a couple of years back was operating well. We have been seeing five-six bad quarters. So, just want to understand the outlook on Sabero and what is going to change to improve the profitability because next year onwards probably the consolidation will start impacting the profitability of Coromandel?

Kapil Mehan, Managing Director

I think, last five to six quarters, Sabero had faced a lot of headwinds due to environmental issues whereby for early part of the year the plant was shut, then they were given permission to operate at 25%, then 50%. Currently, we have permission to operate it at 75% but having said that, there were still some constraints on environment management systems. For the last three months we have been trying to put in place and that work will be over in the next couple of months and then we would see a ramp up in the capacity utilization of Sabero plant in Sarigam which would really help in turning around the company. Today company is operating at hardly 40%-45% of its capacity.

Prakash Goel, ICICI Securities

Two questions with regard to that. First, what is a kind of capex are you likely to incur and is that just an environmental issue or there is any demand or any other issue?

Kapil Mehan, Managing Director

It is purely an environment management issue. We had to put up additional facilities to treat effluents etc and that is underway. We will be investing total around Rs.30-Rs.32 crores on these facilities

Prakash Goel, ICICI Securities

And this entirely has emerged post of your acquisition?

Kapil Mehan, Managing Director

These Rs30 crores-32 crores entire investment have been made post acquisition.

Prakash Goel, ICICI Securities

I was trying to understand this entire issue of environment management system?



Kapil Mehan, Managing Director

This was there earlier also.

Prakash Goel, ICICI Securities

That's all from my side. Thanks a lot and all the best.

Kapil Mehan, Managing Director

Thank you.

Operator

Our next question is from the line of Tarun Surana from Sunidhi Securities. Please go ahead.

Tarun Surana, Sunidhi Securities

Just wanted to have a sense on how Q1 volumes will behave at an industry level. Now that distribution channel is fed with lot of inventory in Q4 whether it will impact sales in terms of extra discounts to dealers over and above what was the distributor margin typically?

Kapil Mehan, Managing Director

See as of now, it's very difficult to say how this quarter will go, because there are different levels of estimates for how much stock is there in the pipeline etc. Number two, it will also depend on the outlook of the season. So, it would be better that we look at full six months. Because in the April-June quarter the demand is at its lowest barring a little bit from sugarcane areas. The real season begins only from middle of June onwards and then carries on into Rabi. It also is a function of how the monsoon will behave and the forecast seems to be so far good. But having said that from our own experience in Andhra Pradesh where we have our own retail outlets, sales from the retail outlets the farmers are buying at current prices and we are not seeing any dip in our sales from retail outlets as compared to last year. Overall from a sales perspective, you may see some dip in this quarter sales. But we believe sales will pick up in the second quarter of this year.

Tarun Surana, Sunidhi Securities

And specific questions on MOP. Can you tell us how much of the quantity from earlier contracts will arrive in this year? And, the split between US\$530/MT contract and US\$490/MT contract for Coromandel?

Kapil Mehan, Managing Director

Contract that we had at US\$530/MT, also had an element of supplies coming in at US\$470/MT.

Tarun Surana, Sunidhi Securities

I understand that, but all of that has already been accounted in FY 2011.



Kapil Mehan, Managing Director

So, the average price that MOP came was at US\$490/MT.

Tarun Surana, Sunidhi Securities

Correct.

Kapil Mehan, Managing Director

And that US\$490/MT average will continue to be effective even during current year.

Tarun Surana, Sunidhi Securities

But in our books of account you would have treated that as US\$470/MT in FY12 and US\$530/MT will have to account in FY13?

Kapil Mehan, Managing Director

Tarun, I think the way that whole US\$470/MT and US\$530/MT has been structured in our books of account that has been adequately taken care.

Tarun Surana, Sunidhi Securities

And can you also tell me the quantity which will arrive from earlier contracts for Coromandel?

Kapil Mehan, Managing Director

That's commercially sensitive information. So, we would not like to share exact numbers etc. But as far as the impact of US\$530/MT versus US\$470/MT that impact will not be there, going forward. It will be price will be equivalent to US\$490/MT only.

Tarun Surana, Sunidhi Securities

And have the phosphoric acid prices been finalized for this quarter Q1?

Kapil Mehan, Managing Director

Well a couple of shipment nominations already been made and we are now in the final stages of discussing price. And, at this stage because the discussion is at a very sensitive stage, we would not like to discuss more than that.

Tarun Surana, Sunidhi Securities

But delay in finalization has impacted availability or no? You are provisionally getting it and the price will be finalized later?

Kapil Mehan, Managing Director

We are getting the shipments on provisional pricing.



Tarun Surana, Sunidhi Securities

That's it from my side, sir. All the best for next year.

Operator

We'll take a next question from the line of Manoj Bahety from Edelweiss. Please go ahead.

Manoj Bahety, Edelweiss

Good afternoon sir, I have couple of questions. My first question is on the current exchange rate scenario. We were adequately covered up to Rs.18,000/MT when the exchange rate was Rs49. So, Rs49 to almost Rs52.5 half, now close to Rs53 is the industry planning to take another price hike since subsidy rates are already down for the current fiscal. So what's your take on that?

Kapil Mehan, Managing Director

See as of now there is no plan to take price correction, because the international prices of most of the raw materials are on a downtrend; ammonia is down, the phosphoric acid is expected to come down from US\$960/MT levels. So, we believe that these will take care of the exchange rate up to this stage

Manoj Bahety, Edelweiss

And the significant impact in margin especially during quarter four, as you mentioned that it was mainly due to off season sales in aggressive manner. Do you expect it to continue for some more time?

Kapil Mehan, Managing Director

If you look at the current inventory levels in the country with most of the people, I don't think anybody is under pressure in terms of the overall inventory levels that companies have. Imports have subdued now, because everybody is aware that there is enough stock in the market. So we don't expect that imports will pickup in significant manner before July or so. I think while some shipments of phosphates are coming in, but there will be some tightness in terms of supplies of phosphates also. So I think all of that if you put it altogether, fundamentally there is no need for any aggressive selling to happen now as most of the companies have already done it in the months of February and March.

Manoj Bahety, Edelweiss

So, we can take it as dip in margin especially during Q4 as one-off, right?

Kapil Mehan, Managing Director

That is the one-off dip in margin.

Manoj Bahety, Edelweiss



Sir my last question if you can share some details on non-fertilizer, non-subsidy business especially organic manure, Gromor store and water soluble fertilizers, are we with on our two-three years target to have 50% of the profits coming from the non-subsidy business?

Kapil Mehan, Managing Director

I think those businesses continue to grow at 20% to 30% and we would like to see that growth to be better than that. Our agrochemical business with Sabero coming in will grow almost 100%, our specialty nutrient business has grown by over 20% last year. Our organic business has grown by over 35% during last year. And we have aggressive plans to grow these businesses. And while the share of these businesses is around 10-12% of our top line in terms of bottom line they contribute 28-30%. We continue to work towards balancing our portfolio in the long term.

Manoj Bahety, Edelweiss

If you can help me out with the quantity of organic manure this year I think we had a target of around 2,30,000 MT, so where we have ended this year in organic manure?

Kapil Mehan, Managing Director

We ended with approx 1,60,000 MT during the year. We had initially a target of around 2,30,000 MT for this year. We have always been taking aggressive targets on these products but in the second half of the year we did see some concerns with most parts of the country not receiving adequate amount of rainfall. So, farmers had cut back little bit spending on their farming operations. So, that had an impact, but nevertheless it's a 35% growth over last year. So, we will continue to take aggressive targets and then achieve very good growth levels in this business.

Manoj Bahety, Edelweiss

We had mentioned around 1 million MT target over next two to three years. So, means any revision in that target or you want to keep that target?

Kapil Mehan, Managing Director

We will keep that target; we will continue to work towards that number.

Manoj Bahety, Edelweiss

That's all from my side. Thank you very much.

Operator

Our next question is from the line of Falguni Datta from Jet Age Securities. Please go ahead.

Falguni Datta, Jet Age Securities

Good afternoon sir, I have two questions. Firstly on this, of your share of 1,80,000 MT of phos acid from TIFERT, how much do you expect to be getting in FY13?



Kapil Mehan, Managing Director

We expect about 90,000 MT to 100,000 MT.

Falguni Datta, Jet Age Securities

And secondly on this DAP side, the current realization like the MRP would be about Rs17,900/MT?

Kapil Mehan, Managing Director

Its Rs18,200/MT.

Falguni Datta, Jet Age Securities

And this figure is excluding excise?

Kapil Mehan, Managing Director

No, this includes excise but without local local VAT.

Falguni Datta, Jet Age Securities

So, and I do agree that you said that at this point in time it's difficult to mention as to how the the phos acid cost would be finalized for Q1 but still if you could just give a broad range ?

Kapil Mehan, Managing Director

Well, I would prefer not to put any numbers in an investor call because we are at a very delicate stage in our negotiations for phos acid. So I would refrain from putting a number in this call.

Falguni Datta, Jet Age Securities

And suppose we were to take this exchange rate of Rs52 then would it be fair to, I mean working out all the input costs at Rs52 would it be fair to assume that we could be making about Rs1500/MT margin on DAP this year?

Kapil Mehan, Managing Director

No, we would be making more.

Falguni Datta, Jet Age Securities

Even at Rs52 exchange rate?

Kapil Mehan, Managing Director

Are you talking about manufactured DAP?



Falguni Datta, Jet Age Securities

Manufactured DAP.

Our average margin, we believe Rs2500/MT will be maintained.

Falguni Datta, Jet Age Securities

Which would be same as what you did in FY12 or would it be a bit lower?

Kapil Mehan, Managing Director

It will be more or less at the same level.

Falguni Datta, Jet Age Securities

That's all from my side sir. Thank you.

Operator

Our next question is from Himanshu Nayyar, Quant Capital. Please go ahead.

Himanshu Nayyar, Quant Capital

Good afternoon sir. Thanks for taking my question. Most of them have already been answered. Just one small clarification if you we could just get an explanation of this Rs.50 crore something difference between consolidated and standalone numbers, where this additional loss coming from other than Sabero?

S. Sankarasubramanian, CFO

In the standalone, we have reckoned a dividend which has been declared by our subsidiary CFL Mauritius i.e. Rs45 crores. When you do consolidation along with the subsidiary that gets eliminated. So, that's our first difference. The second one is on Sabero. We started consolidating the financials from this quarter onwards. You would have seen from the Sabero's results for the fourth quarter there is an impact of Rs10.5 crores on the Sabero operations at the net profit level. So, these two are the major differences between the standalone and the consolidated basis.

Himanshu Nayyar, Quant Capital

And what are the operations in CFL Mauritius, ?

Kapil Mehan, Managing Director

Basically, it holds the investment in Foskor and we had received dividend income for two years. Since that money was earning a lower interest and we had an opportunity to avail a concessional tax rate of 16.22%, we're brought in the funds to India. So, it's a dividend repatriated from CFL Mauritius to Coromandel India.

Himanshu Nayyar, Quant Capital

Thanks a lot. I will get back if I have anything else. Thanks.

Operator

Participants we will take our last question from the line of Paresh Jain from Max New York Life Insurance. Please go ahead.

Paresh Jain, Max New York Life Insurance

Good afternoon sir and thanks for taking the question. On inventory of of Rs1,900 crores in the balance sheet, can you provide a break up between finished goods and raw material ?

S. Sankarasubramanian, CFO

Raw material will be roughly Rs.975 crores and balance is finished goods.

Paresh Jain, Max New York Life Insurance

And on this now in FY13, on this existing inventory that we have will FY12 subsidy rates are applicable or FY13, what is the thought process on that?

Kapil Mehan, Managing Director

In respect of finished goods, where the material was despatched and is currently in the field, FY11-12 subsidy rates will be applicable.

Paresh Jain, Max New York Life Insurance

You had mentioned earlier that the carry over stock in the pipeline is 2 million MT to 3 million MT, this is the extra from whatever we would be carrying on a normal scenario, right?

Kapil Mehan, Managing Director

That's right. That's an excess inventory in the market.

Paresh Jain, Max New York Life Insurance

And your finished goods of Rs.975 crores are again a part of this 2 million MT to 3 million MT or are they over and above that?

Kapil Mehan, Managing Director

It is a part of that 2 million MT to 3 million MT.

Paresh Jain, Max New York Life Insurance

And volume outlook that you had given 60.5 million MT to 61 million MT that was for the entire industry including urea right?



Kapil Mehan, Managing Director

That's right.

Paresh Jain, Max New York Life Insurance

So, how do you see the scenario panning out for the complexes and DAP?

Kapil Mehan, Managing Director

For complexes, in the first half the Government has estimated the consumption to be around 12.5 million MT. We believe it will be around 11.5m MT. If you net-off the excess inventory, the sales should be in the range of 9 million MT to 10 million MT. For the second half of FY13, we should be back to normal. We should see 11.5 million MT to 12 million MT of sales happening for complex fertilizer in the second half.

Paresh Jain, Max New York Life Insurance

So, there is roughly going to be a short-fall in lower sales of close to 1.5 million MT to 2 million MT this year?

Kapil Mehan, Managing Director

May be or may be not. It's too early to say that. But the 3 million MT of inventory has to get absorbed. So there will be a reduction in the imports of complex fertilizers.

Paresh Jain, Max New York Life Insurance

And can you also give some capex guidance for FY13 now?

S. Sankarasubramanian, CFO

We have a balance capex for the 'C' train expansion and we'll be spending around the close to Rs. 150 crores. The normal sustainable capex will be in the range of Rs150 crores to Rs200 crores.

Paresh Jain, Max New York Life Insurance

That's it from side. Thank you.

Operator

I would now like to hand the conference over to Mr. Manish Mahawar for closing comments.

Manish Mahawar, Prabhudas Lilladher

Thanks Lavina. Thanks Mr. Mehan and Sankara sir for taking out time for the call. Mr. Mehan, would you like to make any closing comments?

Kapil Mehan, Managing Director



I think we have answered all the queries. I think very intelligent questions have come up and we have answered most of them. Unfortunately, I can't discuss the phosphoric acid price at this stage because we are in discussions on that. But overall, I think the food demand continues to be positive and we are seeing correction in prices taking place at much shorter cycles.. ,Unlike in 2008when the downward cycle continued for a much longer period and the prices really started going up only after 2009 this time around the turnaround in demand and operating rates is beginning to happen in a matter of four to five months which is currently evident. Yes the fact is that there is an overhang of inventory carryover into this year. But given a normal monsoon the food demand is expected to be strong, it'll be even stronger once the food security bill comes into being and that should be good for companies like us who are directly into farm inputs business.

Manish Mahawar

Thank you sir.

Operator

Thank you. On behalf of Prabhudas Lilladher Private Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.



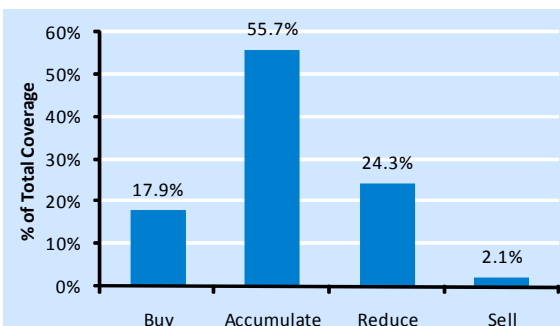
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Trading Buy	: Over 10% absolute upside in 1-month	Trading Sell	: Over 10% absolute decline in 1-month
Not Rated (NR)	: No specific call on the stock	Under Review (UR)	: Rating likely to change shortly