

Operator

Ladies and gentlemen, good day and welcome to the Q3 FY'14 Earnings Conference Call of Deepak Fertilizers and Petrochemicals Corporation Limited hosted by Emkay Global Financial Services. We have with us today Mr. Somnath Patil; President and Chief Financial Officer of Deepak Fertilizers and Petrochemicals Corporation Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Please note that this conference is being recorded. I now hand the conference over to Mr. Rohan Gupta, Senior Research Analyst of Emkay Global. Thank you and over to you, Mr. Gupta.

Rohan Gupta, Analyst

Thank you, Margret. Hi. Good evening ladies and gentlemen for logging into conference call of Deepak Fertilizers and Petrochemicals. Thanks to the management. Mr. Patil sir, good evening.

Somnath Patil, President, Chief Financial Officer

Yeah. Good evening, Rohan.

Rohan Gupta, Analyst

I will also request you because I think that many of my -- many of the investors will be willing to know development on the Mangalore Chemicals and if you can throw some light on that as well, that will be really appreciated sir. You can please start the comment on that. Thank you so much.

Somnath Patil, President, Chief Financial Officer

Thank you, Rohan, and good evening ladies and gentlemen. Welcome to the Deepak Fertilizers and Petrochemicals Corporation's Q3 FY'14 earnings call. I have with me my colleague Mr. Debasish Banerjee.

I'm happy to share with you our results which have been quite satisfactory, especially if one looks at the continuing subdued economic environment. For the quarter ended 31st December, 2013, the company crossed INR1000 crore in terms of total income, which -- INR1,013.41 crores from INR623.35 crores in the same period last year, registering a growth of 63% on a Y-O-Y basis. Profit before tax increased to INR90.53 crores in Q3 FY'14 as against INR41.79 crores in Q3 FY'13. And profit after tax stood at INR64.27 crores in Q3 FY'14 as against INR31.65 crores in the corresponding quarter of the previous year which reflects a growth of 117% and 103% respectively.

This robust growth in topline and bottom line was achieved mainly due to various performance improvement initiatives undertaken by the company which not only helped us achieve higher capacity utilization for our key products on a sustained basis, but also enhanced operational efficiencies at all our plants. The marginal increase in finance cost is mainly on account of higher working capital related borrowings due to higher level of activity. However, interest cost is lower on quarter-on-quarter basis due to non-recurrence of mark-to-market Forex loss accounted for in Q2.

Coming to the segmental results. Our chemical segment registered a growth of 57% to INR650.99 crores in Q3 FY'14 as against INR413.94 crores registered in Q3 FY'13. The key products like Iso Propyl Alcohol and Technical Ammonium Nitrate registered a growth of 12% and 36% respectively. Profit for the Chemical segment stood at INR79.54 crores in Q3 FY'14 as against INR56.07 crores in Q3 FY'13, registering a growth of 42%.

Easing of raw materials prices like ammonia and its subsequent stability, better realization of products like methanol and IPA, contributed towards profitability of the segment.

In case of fertilizer segment, while last year's performance was affected by a poor monsoon as well as non-availability of phos acid, a good monsoon, strong portfolio of brands and the company's continued focus towards operational excellence helped the

Agri-business register a 78% growth to INR401.55 crores in the current growth as against INR225.13 crores in the same period last year.

The quarter witnessed significant increase in volumes of company's manufactured fertilizers and traded non-subsidized specialty fertilizers. Segment profitability for the Agri-business thus grew to INR55.07 crores in Q3 FY'14 as against INR13.94 crores in the corresponding period of last year. A forex gain of INR5.47 crores also helped the segment profitability. On the reality business front we completed the modification of the Ishanya Mall and new signups are progressing well. We have made a provision for old overdues of about INR5 crores though vigorous actions are on to recover these overdues. Regarding MCFL shares acquisition at this point of time, there is nothing more that I can share with you and we continue with the investment of 24.5% in the company.

I now leave the floor open to questions pertaining to our main businesses.

Questions And Answers

Operator

Thank you very much. We will now begin the question-and-answer session. The first question is from the line of (inaudible) from Securities Investment Management. Please go ahead.

Unidentified Participant

Thank you for taking my question, sir. I have two questions. First is on the overall fertilizer revenue and profit growth. So, if you can just outline better details and what's driving in the overall underlying growth in the segment?

Somnath Patil, President, Chief Financial Officer

As I said our capacity utilization has been much higher in this quarter in fact our volumes for this quarter of our own manufactured fertilizer were 77,000 tonnes as against 35,000 tonnes that we did last year in the same quarter. So, it is more than double. And apart from that the, our volumes of non-subsidized specialty fertilizers which we trade in regularly they also increased and contributed significantly to the bottom line as well.

Unidentified Participant

Okay. Because in a industry where you are supporting a flat sales growth or and also getting impacted on the margin front because of discounts happening. It's pretty evolving to see your revenue and profitability growth. So, just want to understand what differentiating measures Deepak Fertilisers have taken?

Somnath Patil, President, Chief Financial Officer

See quite frankly when the capacity utilization goes up significantly what happens is the overheads remain at the same level and therefore a certain contribution improve significantly. And our plant is the very old one so, there is no impact of any depreciation or such costs. Therefore for the nine months period if you see we have totaled a volume of 200,000 tonnes as against only 115,000 that we did last year for the nine months. So there has been a huge jump in our volumes of our own manufactured fertilizers and that is what has given us good returns apart from the fact that the margins on specialty fertilizers are also quite high, I mean, 15% to 16% and those have also contributed.

And as I also said on the call, in my opening remarks, that there is a Forex gain of about 5.5 crores which is contributed to the profit of the segment.

Unidentified Participant

Okay. And the second question was on the market expansion. I know you've been trying to move out of, expand further away from Maharashtra and Karnataka. So if you can just outline your growth strategy and where you see that over next two to three years?

Somnath Patil, President, Chief Financial Officer

Yeah, well, we are actually not moving out of our core markets which are Maharashtra, Gujarat and Karnataka. In fact, we are now doubling our capacity at our Taloja plant to 600,000 tonnes. And we are, of course, putting a one small

Unidentified Participant

That's all. Thank you.

Somnath Patil, President, Chief Financial Officer

Thank you.

Operator

Thank you. The next question is from the line of Balwinder Singh from Prabhudas Lilladher. Please go ahead.

Balwinder Singh, Analyst

Yeah. Hi, sir. Thanks for taking my questions. Firstly, congrats on a good set of numbers.

Somnath Patil, President, Chief Financial Officer

Thank you.

Balwinder Singh, Analyst

On this exceptional item of 11 crores, I guess 50% of that is in Chemicals and 50% in Fertilizers segment?

Somnath Patil, President, Chief Financial Officer

Yes, yes. That is what the breakup is approximately.

Balwinder Singh, Analyst

Okay. And, I mean, I wanted to understand more about the fertilizer margins, is this kind of 15% kind of margin sustainable? I guess, it will be around 14 --.

Somnath Patil, President, Chief Financial Officer

Well, (Technical Difficulty) margin that would be sustainable will be between 10% and 12%.

Balwinder Singh, Analyst Somnath Patil, President, Chief Financial Officer

So here we have an abnormal positive item of Forex gain of about 5.5 crores.

Balwinder Singh, Analyst

Sir, I think even excluding that, it will be around 14% or so.

Somnath Patil, President, Chief Financial Officer

Yeah. And then, we have got significant growth in specialty fertilizers volume, which has contributed quite a bit.

Balwinder Singh, Analyst

Would it be possible to give the volume growth of specialty fertilizers?

Somnath Patil, President, Chief Financial Officer

Yeah, it is 100%.

Balwinder Singh, Analyst

And what would be the contribution of that in trading as such?

Debasish Banerjee, Vice President Finance & Accounts

That -- bulk of it is traded only and it will be around -- in terms of margin it will be around 16%.

Balwinder Singh, Analyst

No, what I meant is, of the 190 crores of trading, fertilizer trading that we did, how much of it would be non-specialty fertilizers? I mean -- sorry specialty fertilizers?

Somnath Patil, President, Chief Financial Officer

See it is around 43 crores.

Balwinder Singh, Analyst

Okay. Rest is the bulk fertilizer trading that we do.

Somnath Patil, President, Chief Financial Officer Balwinder Singh, Analyst

Yeah, okay. And, sir, what kind of manufactured volumes one can expect for, say, FY'15, because this year we have done superb growth of -- on the manufactured volume side?

Debasish Banerjee, Vice President Finance & Accounts

Yeah. See, actually we have more or less stabilized at much higher level of production and we are around 850 to 900 tonnes per day kind of production. So we can expect to have volumes upwards of 250,000 tonnes here as well.

So whatever change we have achieved at the plant, this is there to stay, and this is because of the various initiatives that we undertook at the plant.

Balwinder Singh, Analyst

And this year, if I'm correct, we had earlier guided for 225 right?

Debasish Banerjee, Vice President Finance & Accounts

Yeah, that's right.

Balwinder Singh, Analyst

So next year probably greater than 250.

Debasish Banerjee, Vice President Finance & Accounts

Yeah, definitely. In fact, this year itself we should cross 250.

Balwinder Singh, Analyst

Okay. This year itself.

Debasish Banerjee, Vice President Finance & Accounts

Yeah, because we have already done 200,000 tonnes.

Balwinder Singh, Analyst

Okay, okay.

Debasish Banerjee, Vice President Finance & Accounts

For the nine month period.

Balwinder Singh, Analyst

Okay. And on the TAN side, do you keep your guidance of 325,000 lakh?

Debasish Banerjee, Vice President Finance & Accounts

See, there what has happened is the new AN rules that have been announced, that is causing little bit of hardship to the transporters and to the exclusive manufacturers in terms of compliance of those new regulations.

And that has somewhat affected the uptick of our products. And so these transporters and exclusive manufacturers, they are in the process of compiling with this strict guidelines, and because it is a new thing it is taking some more time and therefore we see a negative impact of this to the extent of about 15,000 to 20,000 tonnes.

Balwinder Singh, Analyst

Okay.

Debasish Banerjee, Vice President Finance & Accounts

In this year. And so we will be more like 300 to 310,000 tonnes. 300,000 to 310,000 tonnes.

Balwinder Singh, Analyst

Okay, okay. No issues. And lastly two things on the gas price hike, if you can just give your view what happens to us in case of a gas price hike which is proposed from April 1st?

Somnath Patil, President, Chief Financial Officer

Yeah in that case our cost of production is likely to go up INR3,000 to INR3,500 per tonne and we should be able to gradually pass on that increase to the market.

Balwinder Singh, Analyst

So, probably will have to increase the prices by almost INR30,000 to INR35,000 per tonne at least?

Somnath Patil, President, Chief Financial Officer

That's right.

Balwinder Singh, Analyst

And how much are you confident of that?

Somnath Patil, President, Chief Financial Officer Balwinder Singh, Analyst

Yes.

Somnath Patil, President, Chief Financial Officer

It will have to be a gradual process and it will take a few months before we're able to pass on the entire increase to the customers.

Balwinder Singh, Analyst

Okay. And, sir what is your review on this DAP trading which has once again resumed in the market in the last two, three months or so because of this decline in global raw material prices. I understand that in the last month global prices have hardened, but still there is a decent amount of margins available for importers. So, what is your view on that?

Somnath Patil, President, Chief Financial Officer

Well last year there was huge import of DAP and the pipeline inventory had gone up significantly and taking some kind of a learning from that this year the volumes have been relatively at a more steady levels and as of now the pipeline inventory of DAP is around 3 million tonnes which is quite decent level. And I think with since there is won't be much of a desperation to sell the products I think the margin level should be decent.

Balwinder Singh, Analyst

Okay. No, what I wanted to understand is do you see importers getting very aggressive in say FY'15?

Somnath Patil, President, Chief Financial Officer

It all depends on how the monsoon plays out, if once again, if we have a good monsoon then you will find importers definitely importing the reasonable quantities of DAP.

Balwinder Singh, Analyst

And what kind of subsidy reduction can one, is the industry expecting on DAP?

Somnath Patil, President, Chief Financial Officer

We are not expecting any subsidy reduction as such, because water, a little bit of reduction that has happened on the raw material that is also upset [ph] by the depreciation of the rupee. When one compares with the exchange rate that was prevailing at the beginning of the year when the new subsidy rates are announced. So, we don't expect fall in the subsidies.

Balwinder Singh, Analyst Operator

Thank you. The next question is from the line of Prateek Poddar from ICICI Prudential. Please go ahead.

Prateek Poddar, Analyst

Yeah, hi. Sir, just one question on the ANP front. Could you just tell me the installed capacity?

Somnath Patil, President, Chief Financial Officer

Installed capacity is actually 230,000 tonnes.

Prateek Poddar, Analyst

Right. You guided for upwards of 250. So, I was just?

Somnath Patil, President, Chief Financial Officer

Yes. I mean, it can go up to 275,000 also.

Prateek Poddar, Analyst

Okay.

Somnath Patil, President, Chief Financial Officer

We have done a lot of process improvements.

Prateek Poddar, Analyst

Okay.

Somnath Patil, President, Chief Financial Officer

As a result of which we are able to actually utilize the capacity better than the rated capacity.

Prateek Poddar, Analyst

So, in terms of your total margins in the I mean on the fertilizer side, if I see your total EBIT is around, yeah, it's around 60 odd crores and if I just knock off that 5 crores of the forex income it's 55. Can you just spilt this between say specialty and manufactured. I just want the manufactured margins?

Manufactured margins is around 11% to 12%. And specialty is around 16%.

Prateek Poddar, Analyst

So, bulk of your trading is specialty which would be water soluble fertilizers and all that, right?

Somnath Patil, President, Chief Financial Officer

And micronutrients.

Prateek Poddar, Analyst

Okay. So, this 411 crores of manufactured fertilizers is pure ANP?

Somnath Patil, President, Chief Financial Officer

ANP and Bensulf.

Prateek Poddar, Analyst

Correct. Plus Bensulf. And you are seeing a 11% to 12% margin split, sir?

Somnath Patil, President, Chief Financial Officer

Yeah, that's it.

Prateek Poddar, Analyst

So and second question would be on your natural gas consumption, if you could just give me the total natural gas consumption?

Somnath Patil, President, Chief Financial Officer

Yeah. That was for the quarter. 56.94 million sm³ for the quarter as a whole.

Prateek Poddar, Analyst

Okay.

Somnath Patil, President, Chief Financial Officer

Yeah.

And what was it say last year same quarter?

Somnath Patil, President, Chief Financial Officer

Last year same quarter was our own 47 million sm³.

Prateek Poddar, Analyst

47?

Somnath Patil, President, Chief Financial Officer

Yeah. So, there has been an increase.

Prateek Poddar, Analyst

Correct.

Rohan Gupta, Analyst

In supply of non-APM gas.

Prateek Poddar, Analyst

So what would be your blended gas cost now in dollar terms?

Somnath Patil, President, Chief Financial Officer

In dollar terms it will be around close to six.

Prateek Poddar, Analyst

Close to six. Okay, \$6. And what was it say same quarter last year?

Somnath Patil, President, Chief Financial Officer

I think last year also it was slightly higher, but it was around the same maybe 6.25 or something.

Prateek Poddar, Analyst

So, then sir what I don't understand is, I mean, if the APM gas contribution has not increased. So, in dollar terms your gas cost should go up, right?

No, APM gas supply has increased actually. From 22 to 27 million sm3.

Prateek Poddar, Analyst

22 to 27?

Somnath Patil, President, Chief Financial Officer

So, therefore that has also helped our Ammonia production and fertilizer production.

Prateek Poddar, Analyst

And, sir, you mentioned that INR3,500 per tonne, EBITDA per tonne would be the increase in cost. So till what time frame do you think you will be able to pass this increase? Could you just give us, say, would it be one, two, three quarters or --?

Somnath Patil, President, Chief Financial Officer

It will be in the first two quarters. If it is normal monsoon it will be much faster, but then, otherwise, we expect we should be able to pass this on to the market in the first two quarters.

Prateek Poddar, Analyst

Of FY'15, is it?

Somnath Patil, President, Chief Financial Officer

Yeah.

Prateek Poddar, Analyst

And, sir, this would be -- so when you're saying you will be able to pass on, it would be only 3,500 that would make us breakeven and above that also you will have to earn, right?

Somnath Patil, President, Chief Financial Officer

No, that could be difficult. We are now talking of passing on the additional burden that will come on the company, which is around INR3,000 to INR3,500 per tonne of Nitro Phosphate.

Prateek Poddar, Analyst

So by that you would -- would you -- you would only breakeven in this manufacturing [ph].

Yeah, we will maintain our margins. Maybe in percentage terms they will come down, but in absolute terms they will remain at the same level, that will be our endeavor.

Prateek Poddar, Analyst

No, so -- I think, I've got something wrong out here. So this INR3,500 increase is only in the cost, right. So you are basically -- whatever margins you are earning will go down by 3,500, is it like that?

Somnath Patil, President, Chief Financial Officer

Yeah, if we don't pass on that increase, they will go down by 3,500.

Prateek Poddar, Analyst

Okay. So by passing on, your margins in EBITDA per tonne will be maintained?

Somnath Patil, President, Chief Financial Officer

Yes.

Prateek Poddar, Analyst

Okay, okay, okay. That's it. Sir -- yeah, one more question on the methanol front, hello? Sir, is there any opportunistic trading that has taken -- I mean, opportunistic manufacturing that has taken place this quarter?

Somnath Patil, President, Chief Financial Officer

Yeah, we have manufactured around -- sold around 7,000 tonnes of methanol in this quarter.

Prateek Poddar, Analyst

What was the contribution of that to the topline EBITDA and bottom line?

Somnath Patil, President, Chief Financial Officer

The contribution of that was around 10.5 crores.

Prateek Poddar, Analyst

On the topline?

Somnath Patil, President, Chief Financial Officer Prateek Poddar, Analyst

Okay, EBIT, it is 10.5 crores. Can I -- so, sir, I understand this was because of the Iran issue, right?

Somnath Patil, President, Chief Financial Officer

Yeah, this was because of some plants having been shutdown in Trinidad as well as in the Middle East and there was a spurt in the prices of Methanol and our average realization in this quarter was INR35,000 per tonne. So that gave us good profit.

Prateek Poddar, Analyst

So what was the spurt like, in terms of prices? Can I --?

Somnath Patil, President, Chief Financial Officer

Yeah, it went up to INR35,000 per tonne as against about INR20,000.

Prateek Poddar, Analyst

Okay.

Somnath Patil, President, Chief Financial Officer

In the same quarter last year.

Prateek Poddar, Analyst

Okay, okay, okay, okay. And, sir, you expect this to continue or this was just opportunistic, so this will just fade out, this 10. --?

Somnath Patil, President, Chief Financial Officer

It might continue for maximum another two to three months and thereafter it may come to normal levels of maybe INR20,000, INR25,000.

Prateek Poddar, Analyst

Sir, lastly you mentioned that there was certain kick backs which you are getting from your transporters or the TAN. So, could you just elaborate on that and what kind of volumes can I expect in the next year?

Somnath Patil, President, Chief Financial Officer Prateek Poddar, Analyst

Sir, on the TAN part you mentioned you are getting some resistance from the transporters right?

Somnath Patil, President, Chief Financial Officer

It is not resistance assets in fact this new written rules.

Prateek Poddar, Analyst

Yes.

Somnath Patil, President, Chief Financial Officer

That will put in place by the Government of India.

Prateek Poddar, Analyst

Okay.

Somnath Patil, President, Chief Financial Officer

They require good amount of compliance by the transporters as well as by the exclusives manufacturers. Now, these transporters are not used to these kind of compliances and they are taking their own time to set those systems in place whereby they are able to be complained with these new rules before they are able to transport Ammonium Nitrate over long distances.

Prateek Poddar, Analyst

Okay.

Somnath Patil, President, Chief Financial Officer

And that is taking a little bit of a little longer and in term that is affecting our volumes particularly because the rules have come into force only now. So, in this quarter we expect that to hit us by about at least 10,000 tonnes.

Prateek Poddar, Analyst

Sir, next year, sir what kind of volume guidance would you be giving I would say for your TAN?

Somnath Patil, President, Chief Financial Officer

I think we will cross 35,000 tonnes next year.

Sir, this year, sir initially, I mean, just for my understand I think I have lost you. Initially you had guided for 3,25,000 which is now been revised to 300,000 right?

Somnath Patil, President, Chief Financial Officer

For 300,000, yeah, 300, between 325.

Prateek Poddar, Analyst

Okay. Next year is 350 kind of?

Somnath Patil, President, Chief Financial Officer

Yeah. Next is definitely it will cross 350,000.

Prateek Poddar, Analyst

And this is bulk of, bulk of it would be domestic nothing done on the export front?

Somnath Patil, President, Chief Financial Officer

No, there will export also, we're targeting about 50,000 to 60,000 tonnes of exports, next year.

Prateek Poddar, Analyst

So, what was the export till there, till date, I mean, nine months FYTD?

Somnath Patil, President, Chief Financial Officer

This year the exports were, I mean, very less because we are doing some kind of seeding in various markets.

Prateek Poddar, Analyst

Okay.

Somnath Patil, President, Chief Financial Officer

So, they were, will be around, one moment.

Prateek Poddar, Analyst

Yeah. Sure, sir.

Yeah. That was about 8,000 tonnes this year.

Prateek Poddar, Analyst

Sir, lastly on the domestic mining activities, if you can just share your views?

Somnath Patil, President, Chief Financial Officer

Well for the current year the mining activity again has been very subdued and the growth that you have seen is just about 2.5% in this quarter and if you see for the nine month period it has been just about 1.5% in coal mining particularly. And we expect mining activity to significantly pick up next year because the Government of India has they have announced certain plans whereby the mining industry will be able to expand their capacity in a certain band of production levels without actually taking permissions and all that. So, there is some kind of a encouragement that is being given by the Government of India to the mining sector and particularly to the coal mining sector. And we expect next year the growth to be at least 5%.

Prateek Poddar, Analyst

Sir, could you just on this Methanol front you mentioned 10.5 crores is on the EBIT front which -- what was the topline for Methanol?

Somnath Patil, President, Chief Financial Officer

Yeah, that was about 25 crores.

Prateek Poddar, Analyst

So, from 65 crores, 25 crores has come from Methanol, right?

Somnath Patil, President, Chief Financial Officer

No, no bottom line is 10 crores. So.

Prateek Poddar, Analyst

No, no. On the top line I'm saying your top line is, sorry, 651 crore, sorry?

Somnath Patil, President, Chief Financial Officer

Yeah, yeah.

Prateek Poddar, Analyst

Yeah, okay. Thank you. Thank you, sir. Thanks.

Somnath Patil, President, Chief Financial Officer

Yeah. You're welcome.

Operator

Thank you. The next question is from the line of Satish Mishra from HDFC Securities. Please go ahead.

Satish Mishra, Analyst

Yeah. Good afternoon, sir.

Somnath Patil, President, Chief Financial Officer

Good afternoon.

Satish Mishra, Analyst

Sir, again discussing on the, our raw material price. The gas price just for my clarity. You mentioned that there will be an increase of 3,000 to 3,500 in our total cost right?

Somnath Patil, President, Chief Financial Officer

Yes.

Satish Mishra, Analyst

So, even if say we assume that gas cost will be say \$10 next year then also my believe is that our manufactured ammonia cost will be less than \$450 per tonne. Am I right or wrong?

Somnath Patil, President, Chief Financial Officer

Yes. You are right.

Satish Mishra, Analyst

Yes. So, in that case like last year, if you see nutrient based subsidy policy government at the same time guided that what should be the farm gate prices for each fertilizers in the context of the NBS which you have declared. And currently just two, three players they are manufacturing ammonia rest all already importing. So, what like next year also when NBS will be announced government will keep some guidelines what should be the farm gate price. And again as our manufactured ammonia cost will less than imported cost. So, what gives you confidence that we will be taking 3,000 kind of price hike over and above the government nominated price?

Somnath Patil, President, Chief Financial Officer Satish Mishra, Analyst

Sir, last time I think in the notification they clearly mentioned farm gate prices for each fertilizers that with the current NBS and current import prices. It should be in these range. They clearly mentioned it for all the 16 fertilizers.

Debasish Banerjee, Vice President Finance & Accounts

Satish, this is Banerjee. At the beginning of the year they did indicate some benchmark price considering DAP prevailing price at that point of time.

Satish Mishra, Analyst

Right.

Debasish Banerjee, Vice President Finance & Accounts

Now definitely initially that was followed but subsequently when the exchange rate changed dramatically. Companies increased their prices. So, that was an indicative and not final farm price. Even today they don't say us to fix the MRP at a particular level, but they expect us to not to make unreasonable profit.

Satish Mishra, Analyst

Okay. Right.

Somnath Patil, President, Chief Financial Officer

So, kind of guidance is provided by them?

Satish Mishra, Analyst

Right. And, sir if you can give some idea about our core competitor in our key areas Maharashtra, Karnataka, Gujarat, who are like our key competitors?

Somnath Patil, President, Chief Financial Officer

Yeah. In Maharashtra we have RCF as the key competitor.

Satish Mishra, Analyst

Okay.

Somnath Patil, President, Chief Financial Officer Satish Mishra, Analyst

Okay, okay.

Somnath Patil, President, Chief Financial Officer

And in Karnataka we have MCFL, Zuari, Coromandel.

Satish Mishra, Analyst

All right. Fine, sir. And sir, second question is related to farm receivables like definitely our volumes are far ahead of normal industry volumes what we are seeing this time for other companies. So, like how this disparity, we have done good trading at the same time our manufacturing volumes are very high. So, is it that in our pockets there is no significant high channel inventory and we are able to push it or is there any increase in receivables? So, what's the scenario?

Somnath Patil, President, Chief Financial Officer

See, we enjoy a good brand loyalty and our brands are very well established in the market. We have been here for decades. And our farmer connect is so good that helps us push our products deep into the markets.

So, that is one thing. The other thing is, it is also the question of basically, we have not done excessive trading of DAP, MOP. We have confined ourselves to manageable levels. So, therefore we have been able to manage our own manufactured volumes very well particularly when they have shot up so much in this year.

So, we have handled this whole thing, whole portfolio carefully. So, that we are not unnecessarily stuck with inventory of particularly of imported complex fertilizers. And as far as receivable are concerned, yes, we also have an issue. Our receivables are a little longer and they take some more time than is normally the case to recover the dues, but we are still, I would say much better placed compared to our competitors.

Satish Mishra, Analyst

Okay, okay. Fine, sir. That's it from my side.

Somnath Patil, President, Chief Financial Officer

Yeah.

Operator

Thank you. . The next question is from the line of (inaudible) from Prosperous Investments. Please go ahead.

Unidentified Participant Somnath Patil, President, Chief Financial Officer

Thank you.

Unidentified Participant

Sir, my question is regarding the ammonia prices where in this quarter and what was there, what was the prices on a Y-o-Y basis for the same and what is your guidance going forward -- where do you see the ammonia prices. Do you see it stabilizing over here or it will come down?

Somnath Patil, President, Chief Financial Officer

Well the ammonia prices for the quarter were INR31,000 per tonne as against about INR37,000 in the same period last year. And we have been seeing this current prices stable for the last few months and I don't see any reason why this kind of price range should not continue for the next few quarters.

Unidentified Participant

Okay. So, our margin, chemical margin should also improve because of this lower ammonia prices?

Somnath Patil, President, Chief Financial Officer

Yes, this should remain at today's level.

Unidentified Participant

Okay. You don't expect ammonia prices to come down from this levels because some supply which was being expected. Has it come in the western world?

Somnath Patil, President, Chief Financial Officer

Not yet in fact the big change that is going to happen because of shale gas will take some time and it is only then that you will be able to see some sharp changes in prices of ammonia.

Unidentified Participant

Okay. And another thing is, sir what were our IPA volumes for this quarter and it was only manufactured or little bit of some trading also in IPA?

Somnath Patil, President, Chief Financial Officer

We have done trading as well and for the quarter our total volume was 56,000 tonnes. The 56,000 for the nine months period. Okay.

Somnath Patil, President, Chief Financial Officer

And for the quarter it was 19,000 tonnes.

Unidentified Participant

Okay.

Somnath Patil, President, Chief Financial Officer

And trading was around 6,000 tonnes.

Unidentified Participant

Okay, okay.

Somnath Patil, President, Chief Financial Officer

19 plus 6. 25,000 tonnes.

Unidentified Participant

Thank you, sir.

Somnath Patil, President, Chief Financial Officer

Yeah. You're welcome.

Operator

Thank you. The next question is from the line of Amit Murarka from Deutsche Bank. Please go ahead.

Amit Murarka, Analyst

Yeah, hi. Just wanted to understand the scenario on the complex fertilizer side. Now that the inventories have come down significantly this year or last year rather. So, how are we expecting the prices and margins to move going ahead?

Debasish Banerjee, Vice President Finance & Accounts

Can you please repeat your question?

Just a question on the complex fertilizer side, I was asking that, now that the inventory in the system has come down quite significantly given a good monsoon this year. How are you expecting the prices and margins to move going ahead in the complex fertilizer side or the business side?

Somnath Patil, President, Chief Financial Officer

I think as I said they will be around the same levels of 11%, 12%, but in case of increase of gas price from 1st April we will see some kind of a margin reduction because we won't be able to pass on the full increase in cost to the farmers straight away. So, the cost increase will be passed on gradually. So, there will some impact on the margins in the FY'15.

Amit Murarka, Analyst

Okay. And what about the terms of trade, the credit terms and anything that you are giving or they had, I mean, stretched credits were being given I believe to the traders [ph]. So, now can that be expected to normalize?

Somnath Patil, President, Chief Financial Officer

Yeah, if the monsoon turns out to be good all that will get normalized, but otherwise I agree with you there has been some kind of a stretch on the credit terms given to the customers.

Amit Murarka, Analyst

What would it be currently the number of days of credit that you are giving?

Somnath Patil, President, Chief Financial Officer

Currently it is around 60 day's average.

Amit Murarka, Analyst

Okay, okay. Fine. Thanks.

Somnath Patil, President, Chief Financial Officer

Yeah.

Operator

Thank you. The next question there is a follow-up from the line of Balwinder Singh from Prabhudas Lilladher. Please go ahead.

Balwinder Singh, Analyst Somnath Patil, President, Chief Financial Officer

Hi, Balwinder.

Balwinder Singh, Analyst

Can you just give me the breakup of sales of individual chemicals for the quarter and nine months?

Somnath Patil, President, Chief Financial Officer

Chemicals it is?

Balwinder Singh, Analyst

Yeah.

Somnath Patil, President, Chief Financial Officer

Okay. You can take down.

Balwinder Singh, Analyst

Yeah.

Somnath Patil, President, Chief Financial Officer

Methanol 25 crores, Nitric Acids 46 crores, sorry, 56 crores it is.

Balwinder Singh, Analyst

Okay.

Somnath Patil, President, Chief Financial Officer

Then we have IPA which was 171 crores and then we have of course traded IPA also of about 48 crores and then other traded chemicals like Acetone, Toluene and others.

Balwinder Singh, Analyst

Yeah.

Somnath Patil, President, Chief Financial Officer Balwinder Singh, Analyst

Okay. And on a nine month basis?

Somnath Patil, President, Chief Financial Officer

Yeah. Nine month basis, Methanol was 37 crores.

Balwinder Singh, Analyst

37 crores?

Somnath Patil, President, Chief Financial Officer

And Acids are around 146 crores.

Balwinder Singh, Analyst

Okay.

Somnath Patil, President, Chief Financial Officer

Then we have IPA 480 crores.

Balwinder Singh, Analyst

Sorry I missed that.

Somnath Patil, President, Chief Financial Officer

IPA. Iso Propyl Alcohol.

Balwinder Singh, Analyst

Yeah.

Somnath Patil, President, Chief Financial Officer

About 480 crores.

Balwinder Singh, Analyst

Okay.

Somnath Patil, President, Chief Financial Officer

And traded IPA is 126 crores.

Balwinder Singh, Analyst

Traded IPA, 126 crores.

Somnath Patil, President, Chief Financial Officer

And other traded chemicals 196 crores.

Balwinder Singh, Analyst

196. And, sir if you could just repeat the Nitric Acid nine month?

Somnath Patil, President, Chief Financial Officer

146 crores.

Balwinder Singh, Analyst

Okay. Thanks.

Somnath Patil, President, Chief Financial Officer

Yeah.

Operator

Thank you. The next question is from the line of Manish Mahawar from Edelweiss Securities. Please go ahead.

Manish Mahawar, Analyst

Yeah. Good evening, Mr. Patil and Banerjee.

Debasish Banerjee, Vice President Finance & Accounts

Good evening.

Somnath Patil, President, Chief Financial Officer

Good evening, Manish.

Yeah, sir I just wanted to know what is our CapEx plan. How is this going ahead basically in the fertilizer front?

Somnath Patil, President, Chief Financial Officer

Yeah. The expansion project is going on well. And this year we should be spending something like 70 crores, 80 crores on the expansion project. Apart from that we have our normal CapEx of around 50 crores as maintenance CapEx.

Manish Mahawar, Analyst

And 70 crores, 80 crores you are saying is for next year, right sir, FY'15?

Somnath Patil, President, Chief Financial Officer

Yeah, FY'15.

Manish Mahawar, Analyst

And how much we have expanded this year?

Somnath Patil, President, Chief Financial Officer

This year we are not spent much.

Manish Mahawar, Analyst

Okay. So, mainly this plant which we were talking about is a one is a Bentonite Sulphur and second is a your NPK plant it will come by the end of FY'16 right, sir?

Somnath Patil, President, Chief Financial Officer

Yeah it will come in by December of FY'16.

Manish Mahawar, Analyst

Okay. December FY'16, okay. And, sir apart from this basically, if I look at your all the plants in the chemical as well as fertilizer. I think so only the AN, Ammonium Nitrate front and I think some Methanol is not running at a 100% utilization. If you look at the next year may be FY'15 both plant will maybe like whatever I understand basically. How the growth will come up in the going forward in your chemical segment because Methanol is only a plant which is not running at a 100% utilization level?

Somnath Patil, President, Chief Financial Officer

True, true. The major growth will come from Technical Ammonium Nitrate.
Right.

Somnath Patil, President, Chief Financial Officer

We are at 75% of the total capacity -- and there will be also growth in Nitric Acid sales particularly the concentrated Nitric Acid.

Manish Mahawar, Analyst

Okay. But beyond that with basically sir, if you look at a beyond one year basically, how, if you look at your chemicals segment because all the, basically plant is running at a 100% utilization level?

Somnath Patil, President, Chief Financial Officer

That's right. So, we are actively looking at new projects in the chemical side. And one is in the Technical Ammonium Nitrate side as well as in the other chemicals side. And we should be able to talk to you about this in the next coming quarters.

Manish Mahawar, Analyst

Okay. But what type of like CapEx, it is a big CapEx, if that will come up?

Somnath Patil, President, Chief Financial Officer

I think it will be not correct for me to state those figures because we need to get board approvals before we announce these projects.

Manish Mahawar, Analyst

Sure, sure. Sir, just and what is the subsidy outstanding right now. Subsidy?

Somnath Patil, President, Chief Financial Officer

Subsidy outstanding is around 200 crores.

Manish Mahawar, Analyst

Okay. 200 crore right now. And, sir just wanted to just, if you can give me the AN sales in this quarter then the nine month number, sir?

Somnath Patil, President, Chief Financial Officer

Yeah. So, you can take down this for the quarter is around 73,000 tonnes.
No, in rupee terms like INR terms?

Somnath Patil, President, Chief Financial Officer

Okay. In rupee terms it was around 191 crores in this quarter.

Manish Mahawar, Analyst

Okay and nine months?

Unidentified Speaker

Nine months it is 580 crores.

Manish Mahawar, Analyst

580 crores, okay. Sure sir. Thanks sir.

Somnath Patil, President, Chief Financial Officer

Yeah.

Operator

Thank you. The next question is a follow-up from the line of Prateek Poddar from ICICI Prudential. Please go ahead.

Prateek Poddar, Analyst

Sir -- sir on the fertilizer side, the price of Bensulf and ANP would be around 21,000 right? Hello?

Somnath Patil, President, Chief Financial Officer

ANP price is around 17,000.

Prateek Poddar, Analyst

No, after subsidy I'm saying. I'm including the subsidy amount.

Somnath Patil, President, Chief Financial Officer

Yeah including subsidy it will around 26,000, 27,000.

So, basically sir if I just assume 12% margins, which you have just guided for your EBIT margins per ton should be around 3,240 right?

Debasish Banerjee, Vice President Finance & Accounts

Yeah.

Prateek Poddar, Analyst

So, now if cash cost is going up or as we understand it will double so you think [ph] the effect of only gas price hike will be INR3,500?

Somnath Patil, President, Chief Financial Officer

Yes.

Prateek Poddar, Analyst

Is that a fair understanding?

Somnath Patil, President, Chief Financial Officer

Yeah that is correct.

Prateek Poddar, Analyst

So, even if you pass on this 3,500 your EBITDA per -- or EBIT per ton would be on a breakeven side or INR250 positive?

Somnath Patil, President, Chief Financial Officer

Yeah, it will be the same as what we are enjoying now.

Prateek Poddar, Analyst

But then you will have to take price hikes of 7,000 is it?

Somnath Patil, President, Chief Financial Officer

No, no. See INR3,000 is what we are enjoying now.

Prateek Poddar, Analyst Somnath Patil, President, Chief Financial Officer

The margin.

Prateek Poddar, Analyst

Right.

Somnath Patil, President, Chief Financial Officer

So, if whatever cost increase, if it is passed on to the customers we will continue to enjoy that INR3,000 margin.

Prateek Poddar, Analyst

Okay, perfect. Okay, okay, okay.

Unidentified Speaker

Yeah, yeah.

Operator

Do you have any other question Mr. Poddar?

Prateek Poddar, Analyst

No, no. I'm done. Thanks.

Operator

All right. Thank you so much.

Prateek Poddar, Analyst

Hello.

Somnath Patil, President, Chief Financial Officer

Hello.

Debasish Banerjee, Vice President Finance & Accounts

Hello.

Prateek Poddar, Analyst

Sir that before we conclude, I just like to have a couple of questions from my side. Sir, this employee cost increase for the quarter is pertaining to -- is there any particular event or it's a general employee cost going forward?

Somnath Patil, President, Chief Financial Officer

No, it's the normal increase.

Prateek Poddar, Analyst

This is the normal increase, which we have taken?

Somnath Patil, President, Chief Financial Officer

Yeah, yeah. Nothing abnormal about it.

Prateek Poddar, Analyst

Because it was, I mean, compared to the September quarter it is up by almost INR4 crore to INR5 crore so that was I was asking.

Somnath Patil, President, Chief Financial Officer

Yeah, that's right, but it is because more and more people have got commissioned in to our new plant.

Prateek Poddar, Analyst

Okay, okay that's fine. And, sir this Ishanya mall losses which has increased to almost close to INR10 crore. Sir, I mean, is there any special event has happened there or if you could just throw more light about the Ishanya and how it is ramping up?

Somnath Patil, President, Chief Financial Officer

As I said we had to make a provision of around of INR5 crores on account of old outstandings. And this is more to be on the conservative side whereas our efforts are on to recover the old outstandings. So, that is one thing which has impacted the results for the quarter and if you take that out then we are slightly better than what we did in the rare [ph] quarters in terms of the losses.

Prateek Poddar, Analyst

Sir, just going back to your in FY '11 or something when we started doing these restructuring at Ishanya mall at that time you have the management have guided close to INR40 crore or INR35 to INR40 crore further investment will go in the Ishanya business before we should see that it's ramping up. I think that in last two, last three year we have already pumped in that kind of money. We have almost I think invest close to INR45 crore now. So, sir can we one

Somnath Patil, President, Chief Financial Officer

No, there are no new commitments and this year in fact we have hardly spent any amount on the mall. So, that is the modification exercises is pretty much over.

Prateek Poddar, Analyst

Okay.

Somnath Patil, President, Chief Financial Officer

There are no new plans to spend anymore CapEx on the mall.

Prateek Poddar, Analyst

Okay. So, I mean, if you're saying that all the investments over to now, I mean, this INR3 crore to INR4 crore to INR5 crore every quarter which was a running losses. So, is it over now right?

Somnath Patil, President, Chief Financial Officer

Yeah, I mean, that should keep coming down now and next year we should be able to see a breakeven kind of situation with new signups happening and with the modification been over some better results next year.

Prateek Poddar, Analyst

Sir, still any thoughts on the management side towards the monetization from our [ph] this asset?

Somnath Patil, President, Chief Financial Officer

We are looking at all possible options and we will take appropriate steps at the right time considering the market situation. So, at this stage we are not contemplating any such thing.

Prateek Poddar, Analyst

Okay, okay. Sir, on this TAN plant and especially on the Bensulf plant you said that we are especially Bensulf plant is coming by end of December FY '16. So, if you can just tell us that initially what sort of the capacity utilization one can expect and from when we can expect revenues to start flowing from that plant?

Somnath Patil, President, Chief Financial Officer

I think initially you can expect the capacity utilization of at least 70%, 75% because it is a market which is already being served by us from our Taloja plant to some extent.

And, sir how much capacity you'll be putting from that?

Debasish Banerjee, Vice President Finance & Accounts

Sorry.

Somnath Patil, President, Chief Financial Officer

How much -- capacity.

Prateek Poddar, Analyst

Sir, Bensulf capacity?

Somnath Patil, President, Chief Financial Officer

Yeah, that is 30,000 tonnes.

Prateek Poddar, Analyst

30,000 tonnes? Hello.

Somnath Patil, President, Chief Financial Officer

Yes, yes.

Prateek Poddar, Analyst

30,000 tonnes we will be planning and then initially we can expect only 70% to 80% utilization level?

Somnath Patil, President, Chief Financial Officer

Yeah, in the first year.

Prateek Poddar, Analyst

Okay, okay, okay. Fine, sir. I think, sir we have couple of more follow-up question. Please go ahead.

Operator

Sure. Thank you. The next question is from the line of Himanshu Nayyar from Quant Capital. Please go ahead.
Hi, yeah. Good afternoon, sir. Most of my.

Somnath Patil, President, Chief Financial Officer

Good afternoon.

Himanshu Nayyar, Analyst

Yeah, most of the stuff has been answered. Just to couple of clarification. Sir, one can you give the revenue from traded product fertilizers for this quarter and Bensulf as well?

Somnath Patil, President, Chief Financial Officer

Now the revenue from traded fertilizer for the quarter was 190 crores.

Himanshu Nayyar, Analyst

And 190 was from manufactured as well, right?

Somnath Patil, President, Chief Financial Officer

212 was from manufactured.

Himanshu Nayyar, Analyst

212, okay. So, sir the number that you have given, if I total them up that's coming to about 70, 80 odd crores, 25 from methanol, 56 from nitric acid, 170 from IPA, 48 from traded IPA, 82 from other traded chemicals, 212 from manufactured fertilizers and 190 from traded fertilizers. Sir, what am I missing here?

Somnath Patil, President, Chief Financial Officer

You are talking for the quarter.

Himanshu Nayyar, Analyst

Yeah for the quarter, sir.

Somnath Patil, President, Chief Financial Officer

So, have you taken into account Ammonium Nitrate.

Himanshu Nayyar, Analyst Somnath Patil, President, Chief Financial Officer

It's a part of the chemicals.

Himanshu Nayyar, Analyst

Okay. TAN I have missed. Okay, okay.

Somnath Patil, President, Chief Financial Officer

TAN you can add.

Himanshu Nayyar, Analyst

Yeah how much would that be, sir?

Somnath Patil, President, Chief Financial Officer

That was for the quarter 191 crores.

Himanshu Nayyar, Analyst

191, okay. So, this totals up to about 970. Okay, sir. That tallies now. And, sir secondly, if I'm not wrong we are making close to 17% and 18% margins as of now on TAN and IPA, right?

Somnath Patil, President, Chief Financial Officer

Yes.

Himanshu Nayyar, Analyst

So, what's your sustainable level going forward with the cost dynamics changing going forward. What do we think should be sustainable next year for both these key products of ours?

Somnath Patil, President, Chief Financial Officer

See actually we are making close to 20% EBIT margin and this is pretty much sustainable.

Himanshu Nayyar, Analyst

For both commodities?

For TAN and IPA, yes, definitely.

Himanshu Nayyar, Analyst

Okay. And sir, what would be the realization as of now for both of these?

Somnath Patil, President, Chief Financial Officer

Yeah. See for TAN the realization was around INR26,000 per ton and for IPA it was INR90,000 per ton in the last quarter -- in this Q3.

Himanshu Nayyar, Analyst

So, what's our view on these, are they sustainable for the next year at least?

Somnath Patil, President, Chief Financial Officer

IPA is generally volatile but overall one has to look at the delta and the delta is normally there at least 20%.

Himanshu Nayyar, Analyst

20%.

Somnath Patil, President, Chief Financial Officer

Yeah.

Himanshu Nayyar, Analyst

Okay, okay. All right sir, that's all from my side. Thanks a lot and all the best.

Somnath Patil, President, Chief Financial Officer

Thank you.

Operator

Thank you. As there are no further questions, I would now like to hand the floor over to Mr. Rohan Gupta of Emkay Global for closing comments.

Rohan Gupta, Analyst

Thank you, Margaret. Sir before we could just close the call, I just have one more question to ask? Sir, as we can see that now our company level we have almost used all our resources, our capacity utilization level in chemicals is pretty close to 100%. Similarly in fertilizer also very soon we are going to touch the threshold level and even there is small CapEx even what we have is not going to come before FY17. So sir, I mean, it's a strategy question, which I like to you and to answer on that, that what are the growth plans, which we have in near term.

I mean, when I say that near term I'm talking about for next two years that where you see if at all the growth in the company can come what will be the driver -- will it be acquired growth I mean some consolidation or merger or do you I mean that is the only probably way that we can have growth in the near term because all of the plans either in fertilizers and chemicals had a high gestation period at least 2 to 2.5 years or you think that there will be probably saturation in growth at the company level for next two years. So that's a strategy question I wanted to ask from you that where you're seeing a near term opportunity for the growth.

Somnath Patil, President, Chief Financial Officer

In terms of organic growth.

Rohan Gupta, Analyst

Yes sir, organic, I mean, I asked the top line growth for company next two years. You can tell us that where the growth will be coming whether organic or inorganic -- non-organic wherever -- wherever you are seeing the opportunity.

Somnath Patil, President, Chief Financial Officer

Yeah. So, I'm just answering that. So in terms of organic growth it will come only from full utilization of our TAN capacity where there is significant scope still because we are at -- just at around 75% of our capacity and in nitric acids, there is scope for further growth and particularly in the concentrated nitric acid you can see a growth of at least 15% over the next two years. These are the two key drivers apart from that on the fertilizer front also we are trying to going for more and more of outsourced contracted kind of a fertilizer. So, if you see the growth in our traded specialty fertilizer it is more like it is outsource contracting, it is not some import of bulk complexes and all. This is something where we actually engage actively with the vendors and with the manufacturers of those products and that is how we have been able to see much larger volumes and top line growth as well as bottom line growth even in specialty fertilizer because it has grown 100%. So, all these suppliers are an extended arm of Deepak Fertilisers as far as we are concerned.

So, you can see on the organic side these the possibilities over the next two years and now on the inorganic side, we are actually scouting for opportunities. So, if there is some any good opportunity that comes our way, we will be definitely very keen to look at those opportunities and capitalize on them, but otherwise, we are now very seriously looking at setting up new capacities in the chemical space and in TAN actually we have already required land at Paradip. So, there is a possibility that we would be very seriously looking at setting up a plant there, but as of now we can't announce, make any announcement on that. And on the fertilizers front, you're aware we are expanding our capacities to 600,000 tonnes.

Rohan Gupta, Analyst

Sir, further one question in the same line. So, we have two business segment chemicals and fertilizers as you said that definitely you're scouting some more opportunities in a chemical segment, but as a management where the management, I mean, in looking more aggressive whether in the Agri-business which includes the fertilizer, specialty fertilizers or (inaudible), I mean, getting into urea and all or it's a chemical business which, I mean, which is at the

Somnath Patil, President, Chief Financial Officer

In the Agri-business we have already embarked on this project of expansion from 230,000 tonnes to 600,000 tonnes. So that is there, that is going on and we are not looking at urea or anything as of now. And now the focus clearly is on chemicals, in the petrochemicals as well as in the Ammonium Nitrate side. So, this is what we are looking at as of now, of course if some more fertilizer opportunities come our way we would be happy to look at those as well because we have a strong balance sheet, we are quite under leveraged, we have good borrowing capacity, our EBITDA, year-on-year will be strong. So, therefore we have enough scope to grow each of the segments.

Rohan Gupta, Analyst

Okay. Great, sir. That's it from my side. I really thank you a lot for giving us your time and would you like to before we close the call would you like to make any final comment, sir?

Somnath Patil, President, Chief Financial Officer

Yeah. Sure, Rohan. First of all I would like to thank all of you for participating in our call. I must share with you that the new TAN plan ramp up is somewhat affected by the new AN rules whose compliance is causing some hardships to transporters and exclusives manufacturers which in turn is impacting our volumes, but we are quite confident that these difficulties will be overcome very soon. In terms of our growth plan considering the significant growth prospects in the core sectors of agriculture, mining and pharma in which the company operates. We are actively pursuing various organic and inorganic growth opportunities which we should be able to finalize in the forthcoming quarters.

That's about it from me, Rohan.

Operator

Thank you. On behalf of Emkay Global Financial Services that concludes this conference. Thank you for joining us. And you may now disconnect your lines.

Debasish Banerjee, Vice President Finance & Accounts

Thank you.