



Mangalore Chemicals
& Fertilizers Limited

Q1 FY23 EARNINGS WEBINAR

MR. SHUBHABRATA SAHA, MANAGING DIRECTOR

MR. T M MURALIDHARAN, CHIEF FINANCIAL OFFICER



NAVIN AGRAWAL, HEAD - INSTITUTIONAL EQUITIES

WEDNESDAY, AUGUST 3, 2022

- **Mr. Navin Agrawal -- Moderator:**
- Good afternoon, ladies and gentlemen. On behalf of Mangalore Chemicals and Fertilizers Limited and SKP Securities Limited, it is my pleasure to welcome you to MCFLs Q1 FY23 earnings webinar. All participants have presently been kept on mute, but you'll have an opportunity to ask questions after the opening remarks in presentation by the management. Please note this webinar is being recorded for compliance reasons. We have with us with Mr. Shubhabrata Saha, MD and Mr. Muralidharan, CFO. We will have the opening remarks from Mr. Saha followed by Q&A session. Thank you and over to you Sir.

- **Mr. Shubhabrata Saha -- Managing Director, MCFL:**
- Thanks, Navin and good afternoon everybody on the call. I hope I'm audible?

- **Mr. Navin Agrawal -- Moderator:**
- Yes Sir.

- **Mr. Shubhabrata Saha -- Managing Director, MCFL:**
- Thanks. I think to begin with on the macro front, agriculture seems to be poised fairly firmly despite the lag in sowing, the pickup has been reasonably strong in the month of July and it continues. The monsoon progress has been quite good and the outlook also is seemingly strong. As far as some of the core states, where our business is conducted, I think in certain parts it began a little late, but again as I mentioned earlier July pickup has been very strong. Alongside that, the reservoir levels are also quite healthy, so 4 good years of consecutive good rainfall. There are some headwinds obviously, I think the global economic forecasts, the growth forecasts are one of them. Inflation and interest rates obviously are an outcome of that and commodities linked to the fertilizer industry still continue to be at high levels, there has been very little softening in one or two commodities, but still continues to be quite high. I think one of the big things that has happened and what we've been promising consistently that we will stay on track as far as our core ammonia improvement project is concerned. Happy to come back to you to state that things are doing very well. I think in the next few days anytime you will have the first production of urea. We've kept the schedule on track despite very heavy rains that happened in coastal Karnataka particularly in Mangalore. With that few remarks, I hand it over to our CFO, Mr. Muralidharan. Murali.

- **Mr. T. M. Muralidharan -- Chief Financial Officer, MCFL:**
- Thank you, Sir. good afternoon to all of you.

- **Mr. Navin Agrawal -- Moderator:**
- Murali, if you can please switch your camera on. Yeah.

- **Mr. T. M. Muralidharan -- Chief Financial Officer, MCFL:**
- Good afternoon to all of you. We will be making a presentation. I'll just share the screen. Is my screen visible to all of you?

- **Mr. Shubhabrata Saha -- Managing Director, MCFL:**
- Yes, we can.

- **Mr. T. M. Muralidharan -- Chief Financial Officer, MCFL:**
- I'm audible to all of you?

- **Mr. Shubhabrata Saha -- Managing Director, MCFL:**
- Yes.

- **Mr. T. M. Muralidharan -- Chief Financial Officer, MCFL:**
- In this presentation, we shall cover the highlights of Q1 FY23 and the annual past performance. Over view of Q1 FY23, urea operations shutdown was taken on 1st July sorry – 1st June, 2022 as planned for commissioning of Ammonia Energy Improvement Project shortly referred as AEIP. After uninterrupted urea production on gas for 18 months since gas supply from December 2020 it's a record. AEIP commissioning is in advanced stage of completion and urea production will resume shortly in the next few days as briefed by our MD. In respect of DAP NPK, we have optimized the operations by suitable product mix in view of these paddling international prices of critical raw materials and probability of the same. we shall now move to highlights of Q3 FY23 with corresponding quarter of FY22. MCFL registered a revenue growth of 49% during the quarter mainly driven by commodity price increase, although there was reduction in volume of urea sales due to shutdown of urea manufacturing for AEIP implementation.

- Coming to EBITDA, we have registered a growth of 13% due to better margins in both urea and complex fertilizers by optimal product mix. As regards to PAT and cash profit, we have registered a margin reduction of 4% to 5% during the quarter compared to the last year quarter primarily on account of increased borrowings due to delay in recognition of current gas prices and delay in subsidy disbursement of complex fertilizers for Q1 FY23 and volatile exchange rates despite growth of 13% in EBITDA posted. We present the details of production, sales, and revenue. The production and sale of urea is 0.73 lakh metric tons and 0.74 lakh metric tons respectively in Q1 FY23 compared to production of previous years compared to production of -- sorry compared to production of 1.13 lakh metric tons and sale of 1.5 lakh metric tons in the corresponding quarter of F22. As regards, complex fertilizers we have sold 0.82 lakh tons in current quarter compared to 0.93 lakh metric tons in Q1 FY22. As far as revenue from operations, revenue from urea is ₹431 crores as against 346 crores in Q1 FY22. This growth is primarily driven on account of higher gas prices, despite reduction in volume due to planned plant shut down for AEP implementation. Coming

to the revenue from non-urea business, they're posted a growth, the revenue is ₹590 crores as against 341 crores of last year to higher subsidy and suitable price increase.

- Now, we shall look at the financial position. The appreciation to the shareholder's funds, our net worth is ₹72 crores between June 2021 and June 2022 on account of profit earned and returned with shareholder funds at ₹706 crores as of June 2022. As far as long-term debt, there is an increase of ₹185 crores, this is primarily on account of the loan availed for the Ammonia Energy Improvement Project, which is being commissioned in the current financial year after factoring the repayment of some of the existing long-term loans. Coming to short-term debt, that is working capital, there was an increase of ₹512 crores, this is on account of two factors. One is on account of higher revenue of 49% posted in current quarter compared to the Q1 of FY22. Second factor is the delay in the payment of subsidies by Government of India due to administrative reasons. The short-term surplus was ₹347 crores as at end of Q1 FY23 as against ₹415 crores as at the end of corresponding quarter of FY22. This is primarily on account of the subsidy disbursement in the last week of March in respect of both the financial years FY22 and FY21 leading to short term surplus as at end of June 22 and 2021 with further disbursement in the respective quarters of FY23 and FY22. As a matter of fact, we have received ₹806 crores during Q4 FY22 and similar amount of ₹809 crores we received in Q4 of FY21.
- We shall now present the position of receivables. There are two types of receivables in bulk fertilizer industry. One is market debtors, which we receive from the dealers. The other one is subsidy dues from the Government of India. As regards, the market debtors, that's reduction of ₹58 crores purely on account of higher liquidity in the market due to demand and shortage of fertilizers that led to improved liquidity and we were able to decrease receivables from ₹150 crores to ₹92 crores. Coming to substitute receivables, there is an increase from ₹456 crores to ₹871 crores between Q1 FY22 and Q1 FY23. One of the reasons for the increase is that in the case of our urea operations, the escalation in the gas price for Q1 FY23 is not yet notified. We continue to get the subsidy for urea based on the gas prices of Q3 FY22. Once it is notified for Q1 FY23, we will receive ₹170 crores as escalation claims. We will be able to release these money's and there's no challenge in this regard because Government of India is committed to the fertilizer industry. Another second reason is that in case of complex fertilizers due to administrative reasons, the subsidy dues of Q1 FY23 was disbursed in July and we had received ₹185 crores against this in July. We have received during this quarter FY23, total of ₹450 crores of subsidy and in the month of July we received 283 crores of subsidy, now we shall look at some annual past performance. The revenue for operations has been at ₹3,000 crores levels in FY19 and similar levels are seen in FY22.
- Coming to EBITDA, you can see from the levels of Rs.200 crores for FY19, we have been able to grow to the levels of 235 crores in FY22. As far as the PBT is concerned

from the levels of ₹50 crores, we improve to the levels of 135 crores in FY22 primary due to reduction in finance costs. As regards to PAT, similarly, we have been able to improve from ₹33 crores in FY19 to ₹88 crores in FY22. Cash profit has improved from ₹70 crores in FY19 to ₹138 crores in FY22. Earnings per share has improved from ₹3 per share in FY19 to ₹7 per share in FY22. It could be seen that the total receivables have come down from the levels of ₹1,564 crores in FY19 to the levels of 665 crores in FY22. This is due to improved liquidity in the market as briefed earlier and significant reduction in subsidiary receivables on account of the fiscal stimulus given in FY22 during COVID-19 wave 1 to clear subsidy arrears and continued additional support given in FY22 by Government of India. We expect the similar trend to happen in FY23. You could see the details of production of urea and sales. We are able to consistently produce to the levels of 3.8 lakh tons, which is our reassessed capacity and we are able to produce additional 50,000 tons in the financial year FY22. P&K Fertilizers have been pretty standard in the past four years. This is an overview of MCF operations as regards to location of the plant, products manufactured, their capacities, marketing territories, and the brand. We continue to carry this slide for the first-time participants. The plant is situated at Mangalore, west coast opposite to Mangalore port and our present capacity of urea is 3.8 lakh tons, which is called otherwise reassessed capacity whereas the capacity of DAP and other complex fertilizers is 2.8 lakh tons. We also do trading in MOP and DAP based on market opportunity, availability of product, and business sense. We operate in the states of Karnataka, Kerala, Tamil Nadu, Andhra Pradesh, Telangana, and Maharashtra. We sell about 71% of our sales in Karnataka, 4% in Kerala, 9% in Tamil Nadu, 8% in Andhra Pradesh, 4% of each in Telangana and Maharashtra. We sell under the brand called Jai Kissan Mangala. As per the introduction given by our MD, the major significant event in this financial year is the commissioning of the Ammonia Energy Improvement Project and we thought we can provide some photographs of the equipment that have been erected and commissioned, which will be of interest of investors to get a flavor and perception of this project. Main control room, post this project is done. New PLC, 3.3 KV switch gear replacement, Syn Gas compressor building, civilian pumps, Semi lean pumps, steam blowing process, post commissioning preparation for operations, erection of add-on converter 380 metric tons, new CO2 stripper dress up before erection, new CO2 stripper during erection stage, reformer inlet pigtail replacement, and reformer transfer main replacement. Thank you for your time.

- **Mr. Navin Agrawal -- Moderator:**
- Thank you, Murali. Friends, we can now start with the Q&A session. Anyone who wishes to ask a question, please raise your hand and we'll unmute you and take your question. We just wait for a couple of minutes for some of the questions to line up. Anyone wishing to ask a question, please raise your hand and we'll unmute you to take the question. We have a question from Nilay Dalal. Nilay, please go ahead.

- **Mr. Nilay Dalal – Participant:**
- Yeah. Hi, good afternoon. Can you hear me?

- **Mr. Navin Agrawal -- Moderator:**
- Yes.

- **Mr. Shubhabrata Saha -- Managing Director, MCFL:**
- Yes, you are audible.

- **Mr. Nilay Dalal – Participant:**
- Yeah. Thank you. Thank you for hosting the call. I have a couple of rather 3-4 questions, regarding this Ammonia Energy Improvement Project, so now what will be the GCAL per ton, like the energy efficiency

- **Mr. Shubhabrata Saha -- Managing Director, MCFL:**
- Yeah, that will be 5.5 GCAL per metric ton.

- **Mr. Nilay Dalal – Participant:**
- After the -- front 5.5 from what levels?

- **Mr. Shubhabrata Saha -- Managing Director, MCFL:**
- So, we are grouped into the category of 7.356, right now we are at about 6.3 odd.

- **Mr. Nilay Dalal – Participant:**
- And we'll come down to 5.5?

- **Mr. Shubhabrata Saha -- Managing Director, MCFL:**
- That is right.

- **Mr. Nilay Dalal – Participant:**
- Okay, okay. Sir, what was the EBITDA per ton in Q1 for urea and DAP. I believe in Q4 there were some issues where we did not recognize in case of DAP, but could you give us some understanding how was it in Q1?

- **Mr. Shubhabrata Saha -- Managing Director, MCFL:**
- Nilay, you can complete your list of questions, so one is related to other.

- **Mr. Nilay Dalal – Participant:**
- Okay and the third question is, Sir we believe that there will be some excess ammonia which would come out because of this project, could you quantify how much that would be and what is the thought process regarding that? Yeah, those are the two questions.

- **Mr. Shubhabrata Saha -- Managing Director, MCFL:**
- Sure. Murali you can go ahead with the EBITDA.

- **Mr. T. M. Muralidharan -- Chief Financial Officer, MCFL:**
- Thank you, Nilay. The EBITDA for Q1 for urea is worth ₹4,700 per ton and DAP and N20 around ₹3,000 per ton.

- **Mr. Nilay Dalal – Participant:**
- How much in case of DAP?

- **Mr. T. M. Muralidharan -- Chief Financial Officer, MCFL:**
- ₹2,000 per ton.

- **Mr. Nilay Dalal – Participant:**
- Okay and did we even recognize for Q4, I think so in Q4, we had not recognized?

- **Mr. T. M. Muralidharan -- Chief Financial Officer, MCFL:**
- Q4 recognized as per the cost and the notifications.

- **Mr. Nilay Dalal – Participant:**
- So, for Q4 also it has been recognized in this quarter, is it?

- **Mr. T. M. Muralidharan -- Chief Financial Officer, MCFL:**
- No, no, Q4 was recognized in this respective quarters itself. Nothing, no carry forward.

- **Mr. Nilay Dalal – Participant:**
- Okay, okay, okay and urea ₹4,700 a ton.

- **Mr. T. M. Muralidharan -- Chief Financial Officer, MCFL:**
- Yeah for this quarter.

- **Mr. Nilay Dalal – Participant:**
- Okay and about that excess ammonia Sir?

- **Mr. Shubhabrata Saha -- Managing Director, MCFL:**
- Yeah, as far as excess ammonia is concerned, once everything is up and running, we expect that there will be 20% more production of ammonia and I would actually go and make sure that by the end of this quarter you should have a very good overview of as to what is happening and as one would understand that excess ammonia will form part of possibly DAP manufacturing and so on and so forth. So, there are obvious possibilities when we look at it and once we get there, we'll be in a position to announce exactly what quantum of excess ammonia is coming through.

- **Mr. Nilay Dalal – Participant:**
- Sir, if my memory serves me correct, is it 600 tons a month or a day, you have quantified it, but we don't recollect it.

- **Mr. Shubhabrata Saha -- Managing Director, MCFL:**
- Yeah, that's what I'm saying let the project start producing and we'll be very happy to confirm the numbers at that point in time. It will be at least 20%, so that's why I'm keeping the number, but once we have completed everything and we know that the urea production has started and the excess ammonia is getting produced. There will be 20% raise.

- **Mr. Nilay Dalal – Participant:**
- Okay, but we intend to not sell it in the open market, but to use it for DAP?

- **Mr. Shubhabrata Saha -- Managing Director, MCFL:**
- As I mentioned both possibilities exist. Possibility one is, maybe manufactured DAP, if it is right for us to manufacture DAP given the margin considerations and the second of course if ammonia prices hold up that the way they are holding up and if it augers well for us to sell ammonia, we will do that.

- **Mr. Nilay Dalal – Participant:**
- Sir, could you share what's the current production?

- **Mr. Shubhabrata Saha -- Managing Director, MCFL:**
- We will come to that -- we'll come to all of that details. We go to some more questions; we will come back.

- **Mr. Nilay Dalal – Participant:**
- Okay, okay. Thanks.

- **Mr. Navin Agrawal -- Moderator:**
- Thanks, Nilay. Anyone wishing to ask a question, request you to raise your hand and we'll unmute you to take your question. We have a question from Vineet Agarwal. Vineet, please go ahead.

- **Mr. Vineet Agarwal – Participant:**
- Good afternoon, Sir. Sir, I have basically three questions. One is pertaining to the gas availability because what I am hearing that Russia has defaulted on the gas deliveries for India and GAIL is looking for alternate supplies, which is going to be at the spot price or higher prices, so this will make our gas price for urea and ammonia price for DAP and other fertilizers more dearer, so do you think if government does not allow to increase the MRP or if they didn't increase the subsidy further, it will put pressure on our margin?

- **Mr. Shubhabrata Saha -- Managing Director, MCFL:**
- It's a good question. I didn't get your name?

- **Mr. Navin Agrawal -- Moderator:**
- Sir, he is Vineet Agarwal.

- **Mr. Shubhabrata Saha -- Managing Director, MCFL:**
- Vineet Agarwal, sorry. Vineet, it's a very good question. I have to say this that gas from Germania was one of the key sources of the raw material that you mentioned. I have a very strong belief that the G2G interactions, the government to government interactions are on firm footing. Second, the government's interest in making sure the availability of fertilizers at the right prices will continue. Third, government will not do anything in our view to increase any risks as far as food security is concerned. So, I think given all of those facets, one has to believe the fact that the government will do whatever it takes on G2G interfaces to make sure that the availability of urea in line with the quantum of gas availability is preserved. We would like to believe that, that will be the direction that will take place.

- **Mr. Vineet Agarwal – Participant:**
- Sir, I also want to ask you earlier the government has capped the import price of DAP at \$920 per metric ton, so how is the scenario there? And Sir

- **Mr. Shubhabrata Saha -- Managing Director, MCFL:**
- Yeah, go ahead, go ahead please.

- **Mr. Vineet Agarwal – Participant:**
- Sir my next question is on this present developing scenario of China and Taiwan, so if this continues and the West imposes sanctions on China, so what will be the business scenario so far as Indian fertilizer industry is concerned as well as MCFL in particular?

- **Mr. Shubhabrata Saha -- Managing Director, MCFL:**
- Honestly speaking, I haven't done enough crystal ball gazing as to the outcomes of some of these possible scenarios that you're talking about. I think we are currently looking at the existing ones itself. So, China hasn't really opened itself up as far as availability of finished goods is concerned right and that is the reason why possibly the finished good prices continue to remain firm. You had mentioned earlier that the government has done some kind of restriction as far as the prices of DAP is concerned, the finished good DAP at \$920. I don't know how much of economic sense it makes right now for any manufacturer or any importer to kind of import these goods at these prices. We do make sure that as an organization, we keep a very strong track of geopolitical developments and their fallout on the global availability of fertilizers and raw materials. Right now, this is very fresh, we don't know how much of an impact this will have as far as availability of raw materials and largely finished goods is

concerned. China hasn't supplied, so we'll really wait and watch. In the last quarter, the Chinese made some overtures, but more than overtures in terms of making material available, I don't think we've seen much happening on the ground. So, we'll still have to wait and watch as you would imagine that the raw material prices as I mentioned in my opening remarks continue to remain firm, very small and finished goods availability at these prices at the MRP structure are kind of directionally available for us, it doesn't make economic sense for us to buy and sell and I presume that would be largely the case for most of the players. Murali, if you wish to add anything?

- **Mr. T. M. Muralidharan -- Chief Financial Officer, MCFL:**
- Thank you, Sir. you covered beautifully. Generally, the China doesn't export we don't import in raw material from China, so only the finished goods we import from China and last almost close to one year there's export ban in China, so we are not impacted as of now on the ban because the subsidy provided in the last one year, what you call them MRP fixed by the government on DAP, it was not making any business sense to do trading, so it is not impacted us at all and so since the raw materials are sourced from either from OCP Morocco for phosphoric acid or GAIL resourcing gas so far, thus unaffected the China's aggression, which has been referred by you, it will not affect us as of now, but will be as our MD was telling, we keep very close monitoring and how to insulate ourselves from this aggression , we'll try to chalk out the plan of action.

- **Mr. Vineet Agarwal – Participant:**
- Okay. Sir, my last question if you can provide the full gas price for the quarter one and if possible, for July month also?

- **Mr. Shubhabrata Saha -- Managing Director, MCFL:**
- Murali.

- **Mr. T. M. Muralidharan -- Chief Financial Officer, MCFL:**
- Yeah. The full gas price is \$25 per MMBtu on NCV basis.

- **Mr. Vineet Agarwal – Participant:**
- This is for quarter 1?

- **Mr. T. M. Muralidharan -- Chief Financial Officer, MCFL:**
- Quarter 1 was \$24 okay per MMBtu okay on NCV basis and it will be \$1 more just \$25 what it had been. Normally, July they give crucial price then only they notify final price, so it was \$24 for the Q1 and \$25 is proposed as a promotional price for July.

- **Mr. Vineet Agarwal – Participant:**
- Thank you, Sir. That's all from my side.

- **Mr. Navin Agrawal -- Moderator:**
- Thank you, Vineet. Anyone wishing to ask a question, please raise your hand. Nilay Dalal, you got another question.

- **Mr. Nilay Dalal – Participant:**
- Yeah. Thank you for giving us another opportunity. Sir, with this improvement in the GCAL per ton to 5½, there should be I would say material improvement in the EBITDA per ton for urea also correct Sir?

- **Mr. Shubhabrata Saha -- Managing Director, MCFL:**
- Yes, that is right.

- **Mr. Nilay Dalal – Participant:**
- So, would that be close to 15% to 18%?

- **Mr. Shubhabrata Saha -- Managing Director, MCFL:**
- So, I think Nilay, this particular thing has been widely covered in the previous discussions and also, I think research reports that have come out. This is not a very difficult thing to compute, you know the current gas prices, you also know the differential between where we stand and where we will get to, so that advantage will certainly exist, however, I will allow the floor for Murali to kind of explain this, in case you still need any inputs or any details as we had said last time, we would be more than happy to discuss it even offline. Murali, if you can add anything that you wish to?

- **Mr. T. M. Muralidharan -- Chief Financial Officer, MCFL:**
- Yeah. Thank you, Sir. so, Nilay, course of this project, we will be getting an additional EBITDA of 100 crores on a full year basis on our capacities. It should translate to about ₹2,500 per ton additional EBITDA which go to the company.

- **Mr. Nilay Dalal – Participant:**
- Okay, yeah. Okay. Thanks

- **Mr. Navin Agrawal -- Moderator:**
- Thanks, Nilay. Friends anyone with the question, please raise your hand and we take it up.

- **Mr. Shubhabrata Saha -- Managing Director, MCFL:**
- I think Nilay has raised his hand?

- **Mr. Navin Agrawal -- Moderator:**
- Yeah. I'll just take another question Sir, someone shared it on the chat. Sayali Raut has asked any update on plans revival by government and what impact it will have on us?

- **Mr. Shubhabrata Saha -- Managing Director, MCFL:**
- I think let's face the fact that Indian agricultural scenario as I mentioned earlier continues to be firm and it will be on a firm wicket for time to come. The quantum of fertilizer demand in the country definitely is higher than the quantum of production and that's possibly one of the reasons that the government focused on saving valuable foreign exchange and also having other facets of economic development through the development of fertilizer plants. We've already seen one or two of them go on stream, there are more to come, and so on and so forth. So, we believe that there is a good play for everybody in the market and I think this will go a long way in improving the availability of fertilizers and security. I think our brand Mangala is very strong, it's a brand of choice for farmers in the key markets in which we operate in. so, I don't see any problem as far as that is concerned in terms of our brand, in terms of our product choices that the farmers have and so on and so forth. I think we continue to be on a strong wicket. We, as I mentioned earlier, I think the government's intention is to make sure that the fertilizer availability continues to be strong by manufacturing that in the country. So, I don't seriously see any risk to that at this point in time. There were some announcements also talking about putting up some fertilizer plants in Maharashtra, Karnataka, etc., but they are not part of the government exercise they are some of the private players, but I think these are only some directional statements that have been made, we haven't seen anything on the ground. I think more the merrier, I think the choice is always very good for the farmer and I think it also keeps us in good stead.

- **Mr. Navin Agrawal -- Moderator:**
- Sayali, I hope that answers your question, in case is anything else, slag me off and we'll take it up. In the meanwhile, anyone else with a question, please let me know. We'll wait for a couple of minutes else you can hand over to Mr. Saha for his closing remarks. Just a minute, we'll wait. Anyone with a question, please raise your hand. I guess the PPT was detailed enough and your answers were also elaborate enough. Okay, since there are no more questions, I hand over the floor to Mr. Saha for his closing remarks. Sir.

- **Mr. Shubhabrata Saha -- Managing Director, MCFL:**
- Thank you for all -- thank you all for coming by and participating in this call. I'm very happy to let you know that the AEIP project has virtually gone on stream. The first spill of urea will come out anytime in the next few days, so from there on as I mentioned earlier, we will take a very close tab on that 5.5 GCAL. We're very confident that, that will also happen post the production starts. As I mentioned earlier, we are

actually striving to make sure that we get the 20% more ammonia that somebody had asked, the current production levels are about 700 TPD, so we will see where we get to eventually there. I think Mangalore Chemicals is very nicely poised. We have to be on the continuous watch for government policies and also the fallout of some of the key elements of geopolitical crisis, some of you also alluded to that. I think we will continue to monitor interest rates very strongly, inflationary pressures, and so on and so forth and continue to tighten up filters as far as costs are concerned. Your company will continue to try and make sure that the interests of the farmers are protected and so also the interests of all stakeholders. I wish you all the very best.

- **Mr. Naresh:**

- Thank you, Mr. Saha. Thank you, Mr. Murali.

- **Mr. T. M. Muralidharan -- Chief Financial Officer, MCFL:**

- Thank you. Thank you, Naresh.

- **Mr. Navin Agrawal -- Moderator:**

- Thank you very much gentlemen and thank you very much for participating in this call and we look forward to hosting you again for your next result call. Thank you and have a nice day.

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