Quarter 2 FY 2019-20 Results

Investor/Analyst Conference Call Transcript
November 08, 2019

Neha Patil: Good afternoon and thank you for joining us on Chambal Fertilisers and Chemicals Limited Q2 FY 2020 Earnings Conference Call. Today, we have with us the senior management represented by Mr. Anil Kapoor, Managing Director, Mr. Abhay Baijal, Chief Financial Officer, Mr. V. K. Gupta, Vice President – Marketing, Mr. Rajveer Singh, Vice President - Legal & Company Secretary and Mr. Anuj Jain, Assistant Vice President - Finance.

Before we begin, I would like to add that some of the statements to be made in today's discussion may be forward looking in nature. We will begin the call with the opening remarks from the management after which we will have the forum open up for interactive Q&A session.

I would now request Mr. Kapoor to make his opening remarks. Over to you, Sir.

Anil Kapoor: Good afternoon ladies and gentlemen. Welcome to our earnings call post declaration of half-yearly results for FY 2019-20. I would like to share with you some of the highlights for the period ended 30th September 2019.

This quarter has been a good one for Chambal Fertilisers. During the quarter, the revenue increased to Rs. 3,550 crores as compared to Rs. 2,486 crores for the corresponding quarter of financial year 2018-19.

In the first half of financial year 2019 - 20, our revenues increased to Rs. 6,405 crores against Rs. 4,676 crores for the corresponding period of last year. Further, during the quarter, the Company also registered a 73% increase in profit after tax, which is Rs. 251 crores against Rs. 145 crores achieved during the corresponding quarter of last year. This number is without considering the impact of one-time deferred tax credit.

During the half-year, the profit after tax increased by 62% to Rs. 487 crores against Rs. 300 crores achieved during the corresponding half-year of previous financial year. This is also without considering the impact of one-time deferred tax credit. The profitability of our company is strong. It is also backed by urea production from all the three plants namely Gadepan-I, Gadepan-II and Gadepan-III.

As far as subsidy numbers are concerned, we have already given in our docket which was placed on the site and also on the stock exchanges.

I will now request the participants to ask questions they have with regards to the same. Thank you.

Moderator: Thank you very much, sir. Ladies and gentlemen, we will now begin with the Question and Answer Session. We have the first question from the line of Pratik Tholiya from Elara Capital. Please go ahead.

Pratik Tholiya: Sir, congratulations on yet another good performance in the quarter. Firstly, if you could just highlight how the Rabi season is panning out? And how do you see the demand for urea as well as for Phosphatics in this Rabi season?

Management: Thank you, Pratik. Thank you for the compliment. I think Rabi, as far as our territory is concerned, is going well. We sell it on two fronts. One is urea and the other is other agri inputs. Selling of urea in Rabi is absolutely no problem. Whatever we produce, we can sell. The challenges arise mainly in the other agri inputs, namely phosphatic fertilizers, which we sell in the market. As I have been maintaining in the past, our brand and our product quality is among the best in the marketplace. Hence, we feel that we will be able to achieve whatever we have planned. I hope, it answers your question.

Pratik Tholiya: Yes. Sir, how is the channel inventory looking?

Management: For good companies and good brand, channel inventory is not critical. It is important but not critical. I hope, I have answered it sufficiently.

Pratik Tholiya: No, sir, that was a qualitative answer but I was looking for more specific numbers in terms of, are we sitting on a higher inventory because I think the imports have also gone up.

Anil Kapoor: Difficult to say. As far as Chambal is concerned, we are not sitting on a very high inventory and we are confident, we will be able to liquidate whatever inventory we have.

Pratik Tholiya: Got that. And sir, just one question for Mr. Baijal. Abhay sir, the numbers that you declared, the cash flow from investments is showing some Rs. 517 crores of CAPEX. If you could just highlight what that thing is related to because such a number was not earlier told that we are looking for some Rs. 500 crores of CAPEX in this H1.

Abhay Baijal: In the cash flow for the year, as far as investing activities are concerned, you will appreciate that we were in 2018 as well as in 2019 for the first part, although the plant has been declared operational, there were some trailing payments to be made.

Pratik Tholiya: So that is pertaining to the new plant.

Abhay Baijal: We have to settle the dues of the contractors. They are not paid according to the start of the plant, they are paid according to the schedule that we have. So, there are spares also to be bought and there are many other things which are post-operative activities. So, to that extent, there is a cash outflow.

Pratik Tholiya: Okay. So there is nothing beyond the new plant that we are looking at in terms of CAPEX.

Abhay Baijal: There is no cost increase, let me assure you.

Pratik Tholiya: Okay. Understood, got that. And sir, last year we have seen IMACID had a very good year. So how is IMACID doing right now? And what is the outlook for the IMACID business?

Anil Kapoor: IMACID is facing challenges this year. The last two quarters are the most important ones in IMACID that is this quarter and the next quarter. So I think, let us see how it performs. We will then be able to very clearly know the results, but it is facing challenges. You will appreciate phos acid prices have fallen down considerably.

Pratik Tholiya: Right. That is what I was trying to understand.

Anil Kapoor: Yes.

Pratik Tholiya: And sir, we have been hearing a lot about this fixed costs revision, which was supposed to happen long time back - this Rs. 350 rupees per tonne. Any progress on that front you are seeing?

Anil Kapoor: I will make a statement so that it is quite clear to everybody. Government had formulated sort of a group of ministers to look into this aspect, which was headed by Mr. Gadkari. What we understand is again hearsay. Mr. Gadkari and the committee have approved the note. It has now gone to PMO and to be put up to the cabinet. So we are awaiting that approval.

So, Pratik as I was saying, it has been at the Prime Minister's Office and it is waiting to be put up to the cabinet, which should happen hopefully soon.

Pratik Tholiya: Okay. So we are expecting it to happen in this quarter may be or in this financial year's second half, may be?

Anil Kapoor: Hopefully, yes.

Pratik Tholiya: Okay, good to know that, sir. And if Abhay sir, can you just share the revenue split between the manufactured and trading. Would it be possible to do that?

Anil Kapoor : With that we will be disclosing our portfolio. Nevertheless, what we will do next time around, we will post it in the presentation.

Abhay Baijal: If you see our presentation, we have given the splits of the tonnages. In terms of revenue, I am sure you can very well make out.

Anil Kapoor: Anyway revenue in fertilizer is not so critical as the tonnages.

Pratik Tholiya: I want to know the average realization that you have achieved in the trading business.

Anil Kapoor: That is a number which is very confidential.

Pratik Tholiya: Okay. No problem, sir.

Anil Kapoor: But from the profit which we have made, you should be able to realize it. It would be decent.

Pratik Tholiya: Sure. Because I think in the last quarter, you have given those numbers. So that I was just checking.

Anil Kapoor: We have not given revenue splits, nor we have given a contribution split. You can make out that from the sheet (presentation) that we have provided.

Moderator: Thank you. The next question is from the line of Deepak Chitroda from Phillip Capital. Please go ahead.

Deepak Chitroda: I have a couple of questions. First of all, on the numbers side, if you can just tell me about the energy consumption for Gadepan-III for the quarter?

Anil Kapoor: It was sub five.

Deepak Chitroda: Right. So last quarter, you indicated around 4.89 or so right? So that should be remaining the same for the quarter?

Anil Kapoor: It is the sub five, that is all I can share with you.

Deepak Chitroda: Okay. And is it possible to share for the existing unit also G-I and G-II?

Anil Kapoor: G-I is slightly above the norm because we had a shut down. You see our norms for both the plants are 5.5. G-I, we had a shut down in the first quarter and then we had a small breakdown in one of the reactors. So, as far as G-I is concerned, it is marginally above the norm which the government allows but as far as Gadepan-II is concerned, we are below the norm.

Deepak Chitroda: Okay. And just to add to that, you talked about in last quarter that since you have started the Gadepan-III you will be taking some shut down probably in H2. So, when it is likely? Probably by end of Q4?

Anil Kapoor: Yes, it will be end of Q4, because our plan right now is to take the shutdown once the rated capacity allowed by Government of India, which is at 100% capacity. We will take the shutdown once we have achieved that.

Deepak Chitroda: But sir, G-III is operating at 100%, right?

Anil Kapoor: That is right.

Deepak Chitroda: This shutdown would be for how many days? About say may be 30 days or so?

Anil Kapoor: Yes, it will be approximately 20 days to 25 days.

Deepak Chitroda: Okay. So beyond that, you talked about IMACID contribution. As I see, for this quarter, in fact, we had a good contribution of about Rs. 12 crores compared to Q1. So do you think this rate will sustain or it will be close to around Rs. 5 crores to Rs. 10 crores?

Anil Kapoor: It should improve. The board meeting of IMACID has not taken place. I can only say after the board meeting, but it should improve.

Deepak Chitroda: Sure. And I think just to add, the question which was asked earlier, if you can share the breakup of owned manufactured products and other agri inputs, which you actually highlighted or published in the Q1 presentation?

Anil Kapoor: Firstly, Deepak, IMACID performance was critical to Chambal when we were only operating Gadepan-I and Gadepan-II. With Gadepan-III coming in line and our agri input stabilizing at run rate similar to previous years, the performance of IMACID, while it is critical, it does not have major impact on the performance of Chambal. I thought let me just clarify that. On the second question which you asked about breakup. We have very clearly spelled out in the docket which we have put up as to the quantity which we have sold. Do you have any question regarding the quantity? We have said the DAP and NPK sales during quarter ended 30.09.2019 and quarter ended 30.06.2019. Do you have any questions around that?

Deepak Chitroda: No, I am talking about the breakup which you have highlighted in Q1 presentation where you have given the break up for own manufactured products revenue as well as other agri inputs revenue.

Anil Kapoor: I will have to relook at it Deepak what we put up into Q1. In fertilizer, revenue is important but not critical. For example, in last year, our DAP prices were ruling at around Rs. 28,000 – Rs. 29,000 per ton. Now they are ruling at around Rs. 24,000. So, the MRP has dropped by 15%. So, the revenue will come down.

Deepak Chitroda: Yes, I mean basically the idea is to get that understanding only if we can get the kind of break up.

Anil Kapoor: The prices are falling down because the Phos Acid has come down and DAP import price have come down. What is important is the contribution which we are making. So, then what will happen? Our contribution per crore of revenue has increased which will definitely increase if we maintain the same as last year because the revenue has come down. In fertilizer, revenue is not a very critical factor. Critical factor in fertilizer is profits which we make at the EBIDTA level.

Deepak Chitroda: So in that case then, if I can ask about what was the pool gas prices for us this quarter?

Anil Kapoor: Again, I mentioned that to you, pool gas pricing is not critical because energy prices are pass through. Pool gas prices are around $12. Again, it is pass through. So it is not very critical for the performance of the fertilizer division in urea.

Deepak Chitroda: Yes, definitely. But sir, because ultimately based on the cost actually the top line is built up. Obviously, if we have energy saving then obviously will have a better operating performance but on the revenue side it is getting impacted, because of the lower gas prices going forward?

Anil Kapoor: Just to take it forward. Suppose I was using gas which was costing $50 per million BTU, my revenue will be four times the revenue which we have right now but my profit will remain the same. So then what would happen? My profit to revenue ratio would fall substantially. You will say the performance of the company has fallen down because as a share of revenue the profit has come down. But that is not a right correlation. This is exactly what I am trying to mention to you. That will increase energy saving to a small extent but that is so minor. The difference would be in single digit of our profitability.

Deepak Chitroda: Then it would have any impact on EBIT?

Anil Kapoor: EBIT, no. At EBIT level there will be no impact. At EBITDA level there will be no impact. If at EBITDA level it is not having any impact then depreciation and tax remain. Depreciation has got nothing to do with gas pricing or the phosphatic prices. The tax is independent activity. Interest to a small extent at PBT level can change because if my cost of product is high to that extent my working capital can increase. But that is not going to impact too much because our cost of borrowing is quite aggressive.

Deepak Chitroda: Sure. So, just two questions more if I can squeeze in. First of all, on DBT progress what is your sense? When the true DBT will be implemented? And how much you know quantitatively, it will benefit Chambal going forward in terms of saving in working capital days?

Anil Kapoor: That is the million-dollar question, when will that DBT be implemented? We are hearing a lot of talk on E-wallet and this and that. I think, it will depend on the government when they are prepared. Because today what happens, when Government runs out of subsidy money payable to the industry, they do not pay us and the money will then be available next year. But that cannot happen when you are on true DBT. You have to give it to the farmer immediately. The

Government has to be prepared to have a one shot subsidy budgetary support to clear the outstanding which will be approximately Rs. 40,000 to Rs. 45,000 crores and then they can go to that level.

Deepak Chitroda: But sir, based on your interaction with the ministry people and the government particularly, is there any ground development towards the DBT in true sense over the past couple of months or so?

Anil Kapoor: There have been discussion and wherein we have suggested that let's do trials in one or two districts in India, where we can try this true DBT concept. So, we have given our inputs to the Government.

Deepak Chitroda: But do you think say for example, DBT obviously will be directly transferred to the farmers. But that will lead to kind of a decontrol of urea probably going forward not entirely in a phased manner?

Anil Kapoor: That is a logical step I would presume for DBT and most of the economists are saying that we should give the money to the farmer and let the farmer decide what to do with that money. That is a next logical step.

Deepak Chitroda: Okay. In that sense, sir, if say for example, urea is gradually decontrolled and it has been leveled to the market prices, do you think then the urea demand will start to fall and then P&K will basically gradually improve?

Anil Kapoor: I do not think so, that will happen. It is crop specific. In wheat and rice, the farmer needs an amount of N. Now, let us look at paddy. In paddy, in North India, I am specifically talking in respect to our territory. In North India, the farmer uses not much of P and very little of K. He uses maximum amount of N. In RABI, he uses both N and P again K is less. So, as far as NPK is concerned, I do not think, much will change. But as far as DAP and Nitrogen is concerned, there can be a variation. It all depends on the pricing at which it will be sold. But I cannot imagine right now, Government accepting the fact that urea will be sold to the farmer upwards of Rs. 20,000 per tonne and it is presently Rs. 5,000 per tonne. That is a very difficult scenario to imagine. I believe what will happen is, they will go partial on DBT and partial on subsidy. That is the way I think it will move in the first step.

Deepak Chitroda: I think that probably urea can be put into the NBS Policy and then probably they can tread towards the phasing of the urea prices.

Anil Kapoor: You are absolutely right. That is the way it will move, it will move very gradually. It would not move in one shot.

Deepak Chitroda: And so lastly, if you can probably give some sense on what was the contribution from the top-line revenue for Gadepan-III. Probably, it was close to say Rs. 1,000 crores for the quarter?

Anil Kapoor: I can share with you what is the contribution of Gadepan-III, which we have shared it. We get a gross contribution of $155 per tonne for Gadepan-III, that is the gross contribution. And the exchange rate is fairly stable between Rs. 69 and Rs. 71. From the gross contribution then you have to take out the fixed cost and then we will get at the EBITDA level.

As far as Gadepan-III is concerned, our fixed cost is substantially lower than Gadepan-I and Gadepan-II. I cannot share with you the numbers which you will appreciate. Because whatever I have to share with you, I should first put it on the docket (presentation) and be fair to all the investors in the country. I have certain limitations in that. But I am giving you a fairly good input for you to calculate. $155 is as per policy. So, the fixed cost of Gadepan-III is lower than fixed costs of Gadepan-I and Gadepan-II. So, you can now calculate how much is the contribution of Gadepan-III. It will be substantial and you can do your own calculation. I have given you a fair degree of input.

Deepak Chitroda: And finally, if I can squeeze one more. What is our total debt repayment for Gadepan-III for FY 2020? It will be close to may be around Rs. 300 crores.

Anil Kapoor: For FY 2020 the total debt repayment will be around Rs. 400 crores.

Moderator: Thank you. Next question is from the line of Ritesh Gandhi from Discovery Capital. Please go ahead.

Ritesh Gandhi: We have been reading in the press articles about the Government restarting a few of its old urea plants and the capacity of those seems reasonably the large. So, I just wanted to get your thoughts on that and the potential implications on potential overcapacity if it could creep in.

Anil Kapoor: It is not restarting. Yes, you are right. What Government doing is, it is building new capacities where there were old plants. For example, their new capacities are coming up at Gorakhpur, Sindri and Barauni. Ramagundam is under commissioning and should start next year. So, there are four plants on the anvil where the construction has started. That is your first part. Yes, to that extent, when these plants get commissioned, there will be a total capacity of approximately 5 million tonnes of urea per annum. As far as Chambal Fertilisers is concerned, these plants are all located in the eastern part of the country and in the south east of the country. Ramagundam is on the southeast. Barauni, Sindri and Gorakhpur are on the central east part of the country. Our predominant markets are in North India and in the western part of India - Punjab, Haryana, western U.P., Rajasthan and Madhya Pradesh. So, we do not feel that there will be an impact in our territory. Our brand is very strong and our product quality is equally strong. The players to be affected in the long run will be the inefficient players. They will have an impact going forward. Once the plants are commissioned and the country goes to self-sufficiency in urea, the inefficient players will have a problem.

Ritesh Gandhi: Got it. But you do not see potential of actual pricing and oversupply issues impacting in any way once these plants are commissioned?

Anil Kapoor: I do not think so. Not in the next four to five years. After that, I am not God. You will appreciate where I am coming from, even God cannot say this.

Ritesh Gandhi: Sure. And the other question was with regards to all the free cash flow which we are generating. Is the plan to only pay down the leverage or is it also to do any incremental expansions?

Anil Kapoor: For the first one or two years, it will be important that we deleverage the organization. Our debt to equity ratio is around 2.2 - 2.3 as we stand today, and in commodity company it should come down. Ideally, it should be around 1 and at the upper most it can be 1.5. For commodity Company, we should be at a low debt to equity. It is always a good management practice. For the next 1 to 1.5 years, I feel that we should be reducing the debt. But nevertheless, if opportunity arises out of the fertilizer industry and there is a possible acquisition which we can make, we will definitely look at bidding for those and then the source of financing will have to be determined at that time. I personally believe, in the next few years, the country will consolidate to fewer players in fertilizer sector. The government may come in for the plan to dis-invest some of their existing assets, like they are planning to do for petroleum sector. We never know that they may plan to do for fertilizer sector. If that were to happen, I am quite sure Chambal Fertilisers should play an important role. There will be consolidation, I personally believe.

Moderator: Thank you. The next question is from the line of Vivek from DSP Mutual Fund. Please go ahead.

Vivek: Sir, You answered the question on deleveraging that is pretty much what we wanted to know. Now that you answered it, if I can just put it in another way. Yes, there are opportunities but the fact that you are already leveraged and you want to bring it down. How would you play the leverage going forward? In the sense, what the financial policy allow, even if there is a really good opportunity.

Anil Kapoor: There will be number of options, we can do. But, I personally believe at the outset, we should first bring down our debt. We are in the commodity segment, our debt to equity ratio should be between 1 and 1.5. It should not be so high. We went so high which was deliberate decision because we did not want to come to the market to raise equity and that is why we kept our equity base at the same level and we went on debt. Having commissioned the plant successfully, we will first like to retire debt. If opportunity arises then we will look at financing options which I do not know what they will be.

You have understood what are the options. You people are much better trained in this sphere? There will be options, we can look at, but I am quite clear that the debt equity of Chambal should not be high. We are in absolute commodity sector.

Moderator: Thank you. The next question is from the line of Tarang Agrawal from Old Bridge. Please go ahead.

Tarang Agrawal: I just had a couple of questions. Firstly, excluding the subsidies receivable from the Government, what would your debtors be like, trade debtors?

Subsidy receivable from Government trade debtors.

Anil Kapoor: Yes, it is very low. It will be in double-digits and low double-digits.

Tarang Agrawal: Okay, low double digits is it?

Anil Kapoor: Yes. What I am trying to say is the money which is overdue to me. We run creditor line from the market in two ways. One is, we give a sort of a credit limit and then there is an overdue. The number which I said lower would be the overdue amount which is due to us from the market. As far as outstanding is concerned that will be high at this moment because we give credit during Rabi season while the money is collected in the month of November/ December. By December end, we will be back to the double digits.

Tarang Agrawal: Even for your outstanding credit, is it ?

Anil Kapoor: Yes. By December end we will be down to double-digit.

Tarang Agrawal: Okay. Sir, the second question actually is from one of the participants' question. There is an investing cash outflow of around Rs. 529 crores, which you said has to do with the Gadepan-III's contractual liabilities at the time of purchase and the payoffs are happening now. So, are we going to see similar cash flows going forward and if so, what quantum can we expect?

Anil Kapoor: I will tell you why? What happens is, our project cost is frozen at the numbers which we had mentioned last time. Now, some amount has been paid and some amount remains and then the tapering effect which takes place. So, as we go forward, there will be small amount which will be left to be paid. Some of it will be paid this quarter and some of it we kept even for a period of upto one and half years. In various forms money is kept like retention money and we release it either through a bank guarantee or whenever they are due.

Tarang Agrawal: Okay. So sir, what would be the quantum of this amount? And it will be under other financial liabilities?

Abhay Baijal: It will be not more than Rs. 200 crores.

Moderator: Thank you. The next question is from the line of Amol Bhutada from Edelweiss. Please go ahead.

Amol Bhutada: I have only one question. I need to understand what is the exact subsidy cycle which is given at present, like from dispatching to the subsidy receipt. You send it to POS and then from POS to realization? Can you just throw some light on that?

Abhay Baijal: Normally from dispatch to the field and to the dealer stock point and all that, in season it can be as low as 15 to 20 days and outside the season it can be higher depending upon the warehousing, etc. Then at the dealer stock point, in season it may just go away in 7 to 10 days time. So, in the season for Urea, it is a cycle of about 30 - 35 days but in the off season it may be higher. Average will be about 60-65 days

Amol Bhutada: From dispatch to realization?

Anil Kapoor: That will be in case of urea and DAP it would be higher.

Abhay Baijal: DAP is higher because there is more stocking happening in the beginning of the year and towards Rabi reason liquidation takes place.

Anil Kapoor: And also, the cycle is longer because we store the material at port and from port we dispatch whereas in case of urea, as the production keeps on going, we keep on dispatching.

Moderator: Thank you. The next question is from the line of Madhav M. from Fidelity. Please go ahead.

Madhav M.: Just a couple of questions. The first one was on the tax rate. What is the implication for Chambal on the tax rate cut? Like, what will be the effective tax rate for us since FY 2021 the full year?

Abhay Baijal: We have basically retained our old 35% rate but because we are in MAT now so base rate is 15% plus surcharge and Cess. 17.47% to be exact.

Madhav M.: So that will be the P&L tax rate, is it?

Abhay Baijal: No. Since there is deferred tax to be raised, effectively we will have 35% minus 17.47% being raised as deferred tax. So this 17% is current tax which is representing the cash, the balance is deferred tax. We will remain at 35% but 17% is actually the cash tax.

Madhav M.: 17% is the cash tax, Okay. And sir, the other question was, now that the plant is up and running, how much in FY 2021 do you think our maintenance CAPEX would be for all the plants combined?

Anil Kapoor: Maintenance CAPEX would be approximately around Rs. 50 crores.

Madhav M.: Rs. 50 crores?

Anil Kapoor: Yes.

Madhav M.: So, is it fair to say our free cash generation would be close to Rs. 900 crores to Rs. 1,000 crores every year, given that this is maintenance CAPEX.

Anil Kapoor: Free cash will be higher.

Madhav M.: Seems upward of Rs. 1,000 crores every year that is because working capital would largely be consumed by end of this year.

Anil Kapoor: MAT at 17%., so do not get confused on the tax at 35% because the differential between 35% and 17% is a free cash which is available to the Company. Let us take a hypothetical number what the free cash is generated in the first-half. We have made Rs. 486 crores at PAT. At PBT level, the number which we have disclosed at PBT is Rs. 724 crores. But effective tax which we have paid is at 17% not 34%. So the cash profit after tax would be Rs. 740 crores which would be free cash which we have generated in the first half of the year minus dividend minus CAPEX and minus loan repayment, if any. Now, the number you can calculate. Look at the entire number for the year. Loan repayment this year is around Rs. 400 crores and going forward it will be Rs. 600 crores. So, after loan repayment, we will be in the range of Rs. 400 crores to Rs. 600 crores.

Madhav M.: Exactly. So, that is why you have arrived at close to Rs. 1,000 crores. Basically, that is the money we have to pay down our debt.

Anil Kapoor: Higher than Rs. 1,000 crores. As I said, it will be in the range of Rs. 500 crores to Rs. 600 crores

Madhav M.: After the loan repayment, right?

Anil Kapoor: Yes. It will be Rs. 500 crores to Rs. 600 crores that would be the level of free cash.

Moderator: Thank you. We have the next question from the line of Prashant Shivsagar from Unived Corporate Research. Please go ahead.

Prashant Shivsagar: I just missed one point. You mentioned about Gadepan-III closure for maintenance. That will be end of Q4 or when approximately?

Anil Kapoor: We will be taking it at end of Q4.

Prashant Shivsagar: But that will be in March 2020 or April 2020?

Anil Kapoor: March 2020. You are absolutely right.

Prashant Shivsagar: March 2020, okay. But it will be you said 20 days - 25 days for the closure. So, it will be sort of end of March or beginning of March? If you can help us with that?

Anil Kapoor: We will like to start up at the end of March. Shutdown will be around between 5th and 10th of March.

Prashant Shivsagar: 5th and 10th of March, okay.

Anil Kapoor: We will shut the plant after we have achieved 100% capacity utilisation.

Prashant Shivsagar: Correct, sir. But as per your estimates, it should be between 5th and 10th of March.

Anil Kapoor: Yes

Moderator: As there are no further questions from the participants, with this, we end the call. Thank you for your participation, on behalf of Chambal Fertilisers and Chemicals Limited. You may now disconnect your lines.

Thank you.