Punj Lloyd Limited

Earnings Conference Call
July 28, 2009

Moderator: Ladies and gentlemen, good afternoon and welcome to the Punj Lloyd Limited Q1 FY 2010 Earnings conference call. As a reminder, all participants' lines will be in the listen-only mode and there will be an opportunity for you to ask questions at the end of today's presentation. Should you need assistance during the conference call please signal an operator by pressing "*" and then "0" on your touchtone telephone. Please note that this conference is being recorded. I would now like to hand the conference over to Mr. Gavin Desa of Citigate Dewe Rogerson; thank you and over to you Mr. Desa.

Gavin Desa: Thank you. Welcome everybody, to Punj Lloyd Limited Q1 FY 2010 Earnings call. We have with us Mr. Luv Chhabra, the Director of Corporate Affairs and Mr. Ravi Keswani the President of the Company. Also joining us shortly would be Mr. Atul Punj the Chairman and Mr. Vimal Kaushik, the Managing Director. We will begin this conference with opening remarks from Mr. Chhabra after which we will have an interactive session. Before we begin I would like to mention that some statements made during this call may be forward looking in nature and a disclaimer to this effect has been sent to you in the conference call invite. May I now request Mr. Chhabra to address the conference?

Luv Chhabra: Ladies and gentlemen, good afternoon and welcome to this conference call for the First quarter Financial Year 2010 operating performance. Our results have been declared yesterday and I am sure most of you or all of you would be familiar with the results but to summarize we had a revenue increase of 12% compared to the same quarter last year. Our EBITDA numbers are up by 40% to about Rs 310 crore. The EBITDA margins are up by 1% up to 10%. Our PAT numbers are up 27% as compared to the same quarter last year to Rs 125 crore and for these numbers, when I give you a comparison; it excludes the one-time profit from the sale of the ISP Division, which happened in the same quarter last year. The current financial year has seen some very robust order booking by the group. The orders that were booked were about close to USD 2 billion and for the group as a whole the total order backlog is about Rs 28,000 crore, which corresponds to about 2.3 or 2.4 times our annual revenue of last year. We are seeing very encouraging order traction both in the Energy and in the Oil and Gas sector and some markets have performed clearly better than other markets, North Africa is one market in particular where we are seeing significant amount of activity happening, but the trend is pretty similar in most markets that we are present in. We continue to have increased thrust on operating efficiencies and on driving down our cost and improving our margins. So with those opening remarks I now throw it open for questions.

Moderator: Thank you, very much Sir. Ladies and gentlemen, we will now begin with the question and answer session. At this time participants who have questions may please press "*" followed by "1" on their touchtone telephone. Our first question is from the line of Mayur Parkeria of Wealth Managers. Please go ahead.

Mayur Parkeria: If we take a closer look at the financials for the last year, we find most of our variable cost is going up significantly in terms of contractor charges and raw materials but in fixed cost there has been some efficiency, and on the other side in financials also we have taken a huge rise in cost. I would like to know how we are going to mitigate this rise in variable cost, which have come so sharply and which is going to add to the bottom line in the next year.

Ravi Keswani: It is very difficult to say what you are considering as a variable cost and what as a fixed cost. The items of costs in our financial statements in any period depend on the activities and the nature of the contract which has been executed in that period. So comparison over a period of time between the heads of account of expenditure it is not the right way to look at it. I think the right way to look at the comparison is only at the EBITDA level. I will give you example, if we are doing an EPC project, first three months of the project we only do engineering, so the cost comes either in the form of a manpower cost if the engineering is done in-house, or it comes in the form of consultation charges if we are using third party for doing the engineering. For the next three months when we carry out some of the construction work, either the cost comes in the form of the subcontracted cost or maybe from other manpower costs, etc. For the next three months we are involved in procurement, so most of the costs which come into the P&L would be the material cost. At different periods, the cost elements would be different depending on the activities and nature of contracts. So it is not comparable on like-to-like basis and to draw any conclusion that manpower, fixed or the variable costs are going up or down, will not lead to any meaningful conclusion.

Mayur Parkeria: Could you throw some light on when are going to see operating cash flow positives for the Company?

Ravi Keswani: We have been growing at CAGR of roughly about 45% and this kind of growth cannot be sustained through the internal accruals. As and when the growth percentages come to a reasonable level, which is sustainable through internal accruals, the cash flow from operations become positive. One of the changes that have happened is that we have been growing very fast on the top line and the focus in last three years was to grow on the top line. Punj Lloyd is amongst the top three or top five construction companies in the market and the geographies we operate. So top line growth is not a concern at all and this year our focus is to improve on the bottom line and the cash flow as Mr. Punj said in a media address yesterday. The focus is to improve on the cash flow and I think in next one or two years you will see our cash from operations being positive.

Mayur Parkeria: So over the next two years definitely we should see that kind of a thing?

Luv Chhabra: We have two choices, either we can exploit the market opportunities available to the group and grow at a rate of 45% to 50% or we can choose to say 'well forget the market opportunities, we will grow only at 5% and 10% and remain cash positive'. I think in this business you need to exploit the opportunities that are available and any company would need to exploit market opportunities that are available.

Mayur Parkeria: At Company levels we have significant plans for new areas like shipbuilding and defense wherein we will have a requirement of significant amount of funds but at the core EPC business or traditional business if we are not able to generate cash flow we may continue to see significant amount of dilutions, which we are already planning like.

Luv Chhabra: I think what was critical at one point in time was to be a global player to have a certain size across various geographies, I think, that hurdle has now been crossed or if not then would certainly be crossed this year. We will become a USD 2.5 - USD 3 billion group. That would give us the recognition to be a significant player in all the markets that we operate. I also want to clarify that the shipyard business is not being done by Punj Lloyd. It is a completely independent entity, which has its own balance sheet and raises its own funds. It is not related to the balance sheet of Punj Lloyd.

Moderator: Thank you. Our next question is from the line of Shrinivas Rao of HDFC. Please go ahead.

Shrinivas Rao: Are there any one-time or exceptional items in Q1FY10 financial performance?

Ravi Keswani: There are no such exceptional items but the only thing I would like to point out is that we are doing a major rationalization and downsizing of the operations of Simon Carves in the

Manchester office which used to have about 550 people, we have cut to about 130 people. So this quarter there is a cost with regard to the retrenchment cost and high overhead cost. So yes, there are some overhead costs and the retrenchment cost is included in the first quarter for rationalization and downsizing of Simon Carves operations.

Shrinivas Rao: Can you quantify that amount please?

Ravi Keswani: It would be in the range of roughly about £4 million.

Shrinivas Rao: You have got substantial orders from the Libyan market in this quarter. Can you throw some light on these orders as to who is the customer, what are the payment terms, etc?

Ravi Keswani: The last order which we announced from Libya is USD 1.28 billion contract which was awarded by a company called IISCO. IISCO is a Libyan Government promoted company and this company has given a contract to a joint stock company between Sembawang and IISCO. The joint stock company has sharing in the ratio of 65:35 in favor of Sembawang and this joint stock company will give contracts to Sembawang on a cost plus basis. As far as these payments in the contract are concerned it is secured by SBLC issued by a German Bank. Payment is on a cost plus basis and payment is secured through SBLC issued by a German Bank.

Shrinivas Rao: So if I understand correctly Libyan Government wants to develop that particular place, setup resorts and deluxe property and Sembawang has got a cash contract?

Ravi Keswani: Yes, it is a cash contract. A contract which is on a cost plus basis. The reason because it is in a joint stock company is that Government of Libya wants that their own entities should also gain some qualification and experience as a developer.

Moderator: Thank you Mr. Rao. Our next question is from the line of Venkatesh B of Citigroup. Please go ahead.

Venkatesh B: You said 65% is Sembawang, so does this mean that only the economic value of 65% of the order is to Punj and if not then how does the remaining 35% economic value of the order come to Punj Lloyd?

Ravi Keswani: The order will be executed 100% in a subsidiary which is 65% owned by Sembawang, so automatically 100% comes to Sembawang. The way contract will be awarded is that some bids of the construction, entire procurement bid and the engineering will be carried out by Sembawang on cost plus basis for this joint stock company. Currently it is estimated that the value of this engineering procurement and some part of construction will be in the range of 65% to 70%.

Venkatesh B: What is the breakup of the order backlog of around 278 billion between Punj Lloyd and Sembawang, at the end of this quarter?

Ravi Keswani: I do not have figures readily available but, the broad figure is that out of USD 1.7 to USD 2.0 billion would be that of Sembawang.

Venkatesh B: India is one of those countries where a massive infrastructure capex is happening. Now Punj Lloyd being an Indian Company, why is it that 80% of the order backlog is from outside India? Is there a particular reason or philosophy behind this? Why such a big chunk of your order backlog is from outside India?

Luv Chhabra: India continues to be a focus country for us. It is not that we have lost sight of India. We exploit opportunities in several geographies and one of that geography happens to be India. A lot of our large refinery projects, road projects have been won and executed in India. A lot of the qualifications of the group or new activities emanated from India. As and when the opportunities materialize we would certainly exploit those opportunities. For example in the highway sector we believe there will be a huge push in India now. There could be new opportunities in the refining sector. We will exploit all those opportunities including offshore for example. So it is not that we have lost sight of India and are chasing work on geographies outside India. India is one market like the five other markets where we are positioned and we will as a group, exploit opportunities in all these markets, wherever we get the most robust margins.

Venkatesh B: Has the work been started on the GVK and the Adaro Power Plant orders in Indonesia??

Vimal Kaushik: Adaro has started and GVK will also start very soon. They are on track.

Moderator: Thank you. Our next question is from the line of Kirti Dalvi of Enam AMC. Please go ahead.

Kirti Dalvi: Can you update us on the slow moving orders especially on Diggiport order of Rs 800 crore?

Vimal Kaushik: The work has already started at Diggiport and it is in progress.

Kirti Dalvi: You have submitted around Rs 507 crore of claims in Heera project. Does that mean we are yet to receive that amount from ONGC?

Ravi Keswani: Yes. Normally the claims have no relationship with the cost. The way most of the Clients works is that, once the project is completed these claims will be referred to the dispute resolution mechanism given in the contract and final decision will be taken, it takes nine to twelve months post completion of the project to get these disputes and the claims settled.

Kirti Dalvi: Could you just elaborate in detail the two components to this that is the cost related which is around Rs 361 crore and revenue related which is somewhere around Rs 146 crore

Ravi Keswani: Currently all cost have already been provided for in financial statement of March 31, 2009, and as far as the revenues are concerned, no revenues with regard to any claim has been accounted for. It will be accounted for as and when it is settled and accepted by the client.

Kirti Dalvi: What is the average execution cycle for our order book?

Ravi Keswani: About 28 to 30 months.

Kirti Dalvi: Our current order book is more of an infrastructure-based and our execution cycle is pretty long enough like 48-month odd. So going forward could there be an elongation of execution cycle?

Ravi Keswani: It is not fair to draw any conclusion on that basis because in the last couple of weeks we have announced one or two large orders on infrastructure side and because of which there are large proportion of infrastructure orders in the order backlog, but that can significantly change if we get any large order in the Oil and Gas space. With regard to infrastructure which contributed roughly about 30% of the revenues in the last financial year, going forward I think that could slightly increase, may be to 35% or so.

Kirti Dalvi: Could you update us on our fund-raising plans?

Ravi Keswani: We have taken an enabling resolution today from our shareholders to raise up to Rs 1500 crore. We are in discussions with bankers and the consultants and we will let you know as soon as we decide on it. We may be going with QIP route though the quantum and timing we will keep you informed as and when it is decided.

Moderator: Thank you. Our next question is from the line of Madhuchanda Dey, Kotak Securities. Please go ahead.

Madhuchanda Dey: Of late you have taken a lot of orders from Libya, a territory where you have not worked in the past. Has that not exposed your order book to a slightly riskier geography and what kind of margins are these orders at?

Luv Chhabra: The first statement is an incorrect statement. To say that it is a new geography which we are not exposed to is not entirely correct. We have been executing a pipeline job in Libya for about three years now. So we are very familiar with that geography. We do not give guidance for margins on specific orders. These orders have all been won above our huddle rates. It is not as if we have won these orders by depressing the huddle rates for these particular projects.

Madhuchanda Dey: And any update on the SABIC?

Luv Chhabra: Our lawyers are working at it and at appropriate time we will do whatever is necessary to protect Company's interest in filing an appropriate case against them.

Moderator: Thank you. Our next question is from the line of Pritesh Chheda from Emkay Global. Please go ahead.

Pritesh Chheda: In Q1 we saw about Rs 29 billion of revenue booking. Were there any projects which were not on the threshold limits in terms of revenue booking earlier and which just entered the threshold limit and hence we had a higher booking this quarter which could slow down in forthcoming quarters?

Ravi Keswani: These are ongoing things. If we are working on 60 projects, there could be one project for which the threshold is achieved in this quarter and there could be other projects for which the margins have not been booked because the threshold has not been achieved. I do not think you can draw a conclusion that because the threshold has not been achieved in this quarter so there is a higher number.

Pritesh Cheda: On the infrastructure order backlog what will be the execution cycle on the blended level in that order backlog?

Ravi Keswani: It may be between three and four years.

Moderator: Thank you. Our next question is from the line of Aditya Khemani of HSBC Mutual Fund. Please go ahead.

Aditya Khemani: Historically, Sembawang primarily has been a design and engineering company where we have always outsourced construction work to somebody else. What is the thought process on that in terms of the future, do we want to undertake construction also in the future?

Luv Chhabra: It is not just design and engineering rather it is design, engineering and project & Construction management. So that trend will continue and it may change for some different geographies. It is not entirely true that they do not do any construction work whatsoever. In many cases depending on the project Sembawang also hires labour and gets the work executed. Though significantly it is much more of an EPCM company and by and large that trend would continue but in some specific projects depending on the geography or the nature of the project they may take a much more active interest on the construction part.

Aditya Khemani: Would that mean margins for Sembawang should improve in the future?

Luv Chhabra: For the time being let us just say that the margins have been brought up from 1% to a level of 7%-8% and that trend will continue.

Aditya Khemani: If we see this quarter's revenue, there has been a very sharp growth rate on the pipeline side, which gets done on the Punj Lloyd standalone. Is that the only reason why our margins have been so high on the consolidated side?

Ravi Keswani: You will keep on seeing these kinds of changes. This quarter 40% of the revenue was driven from the pipeline segment. We are not giving project specific and segment specific margins.

Aditya Khemani: What would be the margin profile for the current order backlog of Rs 27000 crore?

Ravi Keswani: This year we are hopeful that our margin would be around 9.5%. This year the margins will be slightly impacted because of the drag left in the Simon Carves, where we are doing the major rationalization exercise. So way forward next year the margins will move upwards.

Moderator: Thank you. Our next question is from the line of Soumesh Agrawal of Macquire Capital. Please go ahead.

Soumesh Agrawal: Do you have a revenue growth target for this year? Also do you think that margins of around 9.5% to 10% would be sustainable, given that your order book has incrementally moved towards infrastructure?

Ravi Keswani: We have given the margin guidelines based on the current breakup of the order backlog, which includes over 50% coming from the infrastructure. As regards the revenue targets are concerned, as a Company policy, we do not give any guidance on the revenue growth, which does not mean that internally there are no targets. There are targets for every business and every segment.

Moderator: Thank you Mr. Agarwal. Our next question is from the line of Sumit Agarwal of HSBC. Please go ahead.

Sumit Agarwal: Looking at the standalone and consolidated numbers, we find that your margins in the subsidiary business have been significantly higher to something like 10.5% and in this you would also have taken the one time hit of £4 million. Now this would translate into margins of somewhere around13 to 13.5 percent. Are there any specific reasons for this significant margin improvement on the subsidiaries?

Luv Chhabra: I would urge you to look at the financials from a consolidated basis because the Company has fair amount of flexibility as to where to take its orders and where to book its revenues. Just to give you an example the Company could decide to do a significant portion of its work from a Singapore entity as the tax rates of Singapore are lower than the tax rates in India. Just comparing standalone versus consolidated on a quarter-on-quarter basis is not going to lead to any significant trends. Look at it on a consolidated basis.

Sumit Agarwal: Apart from the £4 million, will there be any other restructuring cost going forward?

Luv Chhabra: We will see some impacts in the next two quarters, which on a diminishing basis will reduce because there is some more rationalization to be done. They have a large office building which needs to be negotiated and we do not have requirement for such large office space. We would see some impact in the next two quarters, but it will be on a reducing basis.

Sumit Agarwal: Any updates on the road projects in Assam? Are those still a part of your order book?

Vimal Kaushik: Yes, they are running pretty well. It is for close to 40%-50% in three of the projects and in the case of another two about 30%-35% done. We have taken up strongly with

NHAI and ministers have promised to push to ensure that the right of way is available for the NHAI contractors. I think the things will improve by next year and we will be able to finish those jobs.

Sumit Agarwal: What is the cost of borrowings in Q1FY10 vis-à-vis Q4FY09? How much savings have you done on the interest rate side?

Luv Chhabra: The absolute interest cost has definitely gone up which is in line with the quantum of business that has increased, but I do not have the numbers. As per the cost of borrowings is concerned, it varies in different geographies. In India interest rate could be about 11% or 11.5% or 10.5%. The interest rates in Singapore, Libya and Middle East would be different.

Moderator: Thank you Mr. Agarwal. Our next question is from the line of Sandeep Sabarwal of Prabhudas Lilladher. Please go ahead.

Sandeep Sabarwal: There is a restructuring expense of £4 million. Does it mean that your profits would have been higher by that that amount if that restructuring expense was not present?

Ravi Keswani: Yes, you can draw that conclusion. It is an overhead cost. And if that cost was not there definitely our profits would have been higher by that amount.

Sandeep Sabarwal: Do you expect such costs to be repeated in the subsequent quarters?

Ravi Keswani: There is some more rationalization left in Simon Carves, which will continue in the current quarter and maybe slightly in the Q3 as well.

Sandeep Sabarwal: What could be the overall impact because of the subsequent restructuring?

Ravi Keswani: Currently we have estimated that over the next two quarters another GBP 4 million of loss can come up because of restructuring.

Moderator: Thank you Mr. Sabarwal. The next question is from the line of Tina Vermani of Kotak Securities. Please go ahead.

Tina Vermani: We have witnessed some delays in Diggiport, GVK Power and Heera platform. Is that kind of delay or any kind of cost overrun is likely to impact the profitability or margins of the Company in the current or next financial year?

Vimal Kaushik: Diggiport is cost-plus contracts, so there is no impact on profitability. Heera is already catered for everything.

Ravi Keswani: The margin forecast which we gave you for the current year is after considering the cost overruns which have happened in Heera and as Mr. Kaushik said Diggi is a cost-plus contract so delays do not cause any impact on the margins. Similarly GVK is delayed by six months, but there is no cost implication on to us for these six months.

Tina Vermani: Will GVK Power Project be starting in some time?

Ravi Keswani: Yes. It is starting very soon.

Tina Vermani: In the Heera project, is there any other provisioning required apart from Rs 141 crore which you are negotiating

Ravi Keswani: We have claims worth about USD 117 million which we have already filed and these will be settled once the contract is completed. ONGC is likely to refer these settlements to the dispute resolution mechanism given in the contract. It will take about nine to 12 months post completion to get the resolution to claims.

Tina Vermani: Are these projects likely to get over by October-November 2009 or may be by March 2010?

Vimal Kaushik: We are currently estimating that it will get completed by December or January.

Tina Vermani: The margin guidance that you have given is after factoring in the cost overruns from all of these projects.

Ravi Keswani: The cost overrun for the Heera project has already been provided as of March 31, 2009, and also there is a note in the financial statement quantifying that impact.

Moderator: Thank you Ms. Vermani. Our next question is from the line of Vaibhav Jain of Brics Securities. Please go ahead.

Vaibhav Jain: Can you indicate your capex plans for FY2010?

Ravi Keswani: The plan is to invest roughly about USD 60-70 million this year on the EPC business which will be purely a replacement capex. On the defence side, we would be investing in the capex only on a backing of our order.

Luv Chhabra: I think once we see some more traction for a couple of orders that we have bid on the land system side then the capex plan will be decided.

Vaibhav Jain: As per the annual report, the shareholders funds stood at Rs. 24.8 billion at the end of FY2009 and as per this latest release it stands at Rs. 25.2 billion, so there is a difference of around Rs 31 crore. Is there any adjustment that has happened below PAT in Q1FY10 as the profit itself is Rs 125 crore?

Ravi Keswani: Since we have large foreign operation in the subsidiaries so any movement on the translation gets settled in the foreign exchange currency reserve. So mainly it is some movement in the currency reserve, which has happened during the quarter.

Moderator: Thank you Mr. Jain. Our next question is from the line of Vishal Sharma of BNP Paribas. Please go ahead.

Vishal Sharma: You are taking a major restructuring or write-down in Simon Carves, so is there any impact on the goodwill that you will have to take?

Ravi Keswani: An extensive exercise has been carried out by the auditor in March and June quarter and they concluded that there is no impairment on the goodwill. This is an ongoing exercise and would be carried out in each and every quarter.

Vishal Sharma: What part of your debt has been taken in India all in Indian Rupees?

Ravi Keswani: Roughly about 65% of the debt is denominated in Indian Rupees and taken in India.

Vishal Sharma: Do you have any kind of a ballpark number for your income tax rate?

Ravi Keswani: For a Group as a whole we think the tax rates would stabilize at a rate of around 26% or 27% although this quarter we have seen tax rate roughly about 33%. There are a couple of reasons for the higher tax rate, one is there were losses in Simon Carves for which there was no tax benefit. Since Simon Carves continued to incur the losses, some of the deferred tax assets which were created in earlier years, auditors felt that it has impaired and there was also some reversal for the deferred tax asset created in Simon Carves. Moreover, although the finance act has amended from April 1, 2009 and FBT has been abolished but the finance bill has not been passed. Therefore taking a conservative view we have taken a provision for fringe benefit tax in Q1 as well. Now if the president approves then in the next quarter we will reverse that FBT provision.

Vishal Sharma: What will happen if the claims go against you or not in your favor? In that case do you have to take that as a charge in your P&L?

Ravi Keswani: No. Any claim that is realized goes straight to the bottom line of the Company. Also I would like to clarify that none of the claims has been accounted for.

Moderator: Thank you, Mr. Sharma. Our next question is from the line of Pawan Sadarangani of Dipen Mehta Stock Brokers. Please go ahead.

Pawan Sadarangani: Could you give an update on the bids outstanding with ONGC?

Vimal Kaushik: We have two or three bids with them, which should open in the next one or two months.

Pawan Sadarangani: Do you expect to win more orders in Libya and who is your competitor there?

Vimal Kaushik: In Libya the competition is with the Italian and Turkish companies. There is a lot of work to be done in that country and we are well established there.

Pawan Sadarangani: Can you quantify the opportunities available in Libya?

Luv Chhabra: There are lots of opportunities, but I do not think at this point of time we can give you any guidance as to which are the specific opportunities we are pursuing.

Moderator: Thank you. Our next question is from the line of Shailesh Kanani of Angel Broking. Please go ahead.

Shailesh Kanani: We have taken a tax provision for 2009 although our PBT level is around Rs 2 crore. Are we expecting any write-back on the tax front?

Ravi Keswani: The tax provision was high mainly because there were losses in Simon Carves to the extent of 108 million, and there were no deferred tax asstes created on those losses. As and when Simon Carves starts earning any profits, it will set off against the losses incurred in last year and as per UK laws they have about 10 years during which these can be set off.

Shailesh Kanani: About 30% of our order book is from Libya. What is your view on that as it is not a big economy; it is about USD 60 billion economy?

Vimal Kaushik: They have lot of reserved money and in the last 20 years nothing has happened in that country because of the sanctions. Now as the sanctions have gone and the country wants to come to the level of other Middle Eastern countries, then a lot is needed to be done in that country. They have got a lot of money. They have got much more than USD 60 billion.

Shailesh Kanani: I was mentioning about the GDP levels.

Vimal Kaushik: Money is not a problem as they have got lot of reserves. The contracts that we are getting are all secured by the German Banks so payments are not an issue.

Shailesh Kanani: What percent of advance payment for projects you get in Libya?

Vimal Kaushik: Generally it is 15% advance payments.

Moderator: Thank you, Mr. Kanani. Ladies and gentlemen, due to time constraints that was the last question. I would now like to hand the conference over to the Punj Lloyd Management for their closing comments.

Luv Chhabra: A lot of people have over the last eight-nine months spoken to many of us and said: what is the impact of the slowdown; are you not facing the slowdown; are you not focusing on India. Our strategy makes it very evident that there are certain advantages of having that geographical diversity because any downturn in any one or two economies can still insulate the company from both the top line and bottom line performance because there are other geographies that are performing fairly well. So our strategy has paid out well and we certainly do expect that this strategy will continue to pay us off very well with very strong and robust growth coming in from many of the regions that we operate in. We are looking forward to a continued robust performance by the company. Thank you.

Moderator: Thank you Sir. Thank you, gentlemen of the Punj Lloyd Management and Mr. Gavin Desa. Ladies and gentlemen, on behalf of Punj Lloyd Limited, that concludes this afternoon's conference call. Thank you for joining us, on the Chorus Call Conferencing Service and you may now disconnect your lines.