Y 2012 Earnings Call - Pipavav Defence Dt-4 Jun'12

Operator

Ladies and gentlemen, good day and welcome to the Q4 and FY12 Results Conference Call of Pipavav Defence and Offshore Engineering Company Limited. As a reminder, for the duration of this conference all participant 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. Please note that this conference is being recorded. I would now like to hand the conference over to Mr. Rishab Barar from CDR India. Thank you and over to you, sir.

Rishab Barar

Hello.

Operator

Please go ahead sir.

Rishab Barar

Good afternoon, everyone. We welcome you all to the Pipavav Defence and Offshore Engineering Company Limited's Q4 and FY 2012 analyst and investor conference call. We shall discuss the performance and financial highlights for the quarter and full year ended March 31, 2012.

Today, we have with us Mr. Jigar Shah, Mr. Praveen Mohnot, representing Pipavav Defence and along with Mr. Kailash Gupta. We will begin this con call with opening remarks from Mr. Shah and afterwards, we will have the floor open for an interactive question-and-answer session.

Before we begin, I would like to point out that certain statements made in this con call maybe forward-looking in nature and a disclaimer to this effect is included in the investor release and con call invite which was sent to you earlier.

Jigar Shah, Chief Financial Officer

Good afternoon ladies and gentlemen and thank you for joining us on today's earnings call for Q4 and FY 2012. We are glad to share with you that FY12 has been a year where Pipavav has achieved many milestones in all our core focus areas, defence, offshore and commercial ship building. The successful completion of our first panamax vessel was of key significance. As this is the largest commercial carrier ever it has been built in India.

We are well on track to deliver the entire commercial vessels of the book within the next three years. Our offshore business is seeing strong progress and few vessels are now getting ready to be delivered to ONGC. As you already know, we have been selected by Mazagon Dock Limited, the premier Defence Shipyard of Government of India, Ministry of Defence as their preferred partners for this joint venture focus on building warships for the Indian Navy. Mazagon Dock is India's biggest defense shipyard and accounts for more than 85% of the defense vessel build in the country. During the first PPP we formed in India for Naval shipbuilding and opens up a huge long-term opportunity as Mazagon Dock has an existing order book of more than Rs.1,00,000 crore. Before I get into more developments during the year, let me walk you through the financials.

For the quarter ended March 31, 2012, total income stood at Rs.6,242.5 million from Rs.2,461.0 million last year, an increase of 136.4% over the corresponding quarter last year. We expect the commercial vessels in our order book to be completed within a three year time line, so you can expect to see revenues increasing consistently both sequentially and on a year-on-year basis. Total expenditure amounted to Rs.4,876.4 million for Q4 FY 2012 from Rs.1,534.4 million in Q4 FY11. But a strong learning curve, better cost control mechanisms and better operating efficiency has improved the company's profitability.

EBITDA stood at Rs.136 -- sorry Rs.1,366.1 million for Q4 FY12, increasing 23.5% from Rs.1,106.6 million in the corresponding period last year. Margins stands healthy at about 23%. For the year ended March 31, 2012, total income increased by 104.8% and stood at Rs.18,914.6 million from Rs.9,234.9 million last year. EBITDA stood at Rs.4,362.7 million for FY12, increasing 102% from Rs.2,160.2 million in the corresponding period last year, working out to an EBITDA margin of 23%.

Now coming back to our JV with Mazagon Dock, we are extremely proud to make a significant contribution to the defence requirements of our country in its quest for self reliance. This also represents a substantial opportunity that will inhabitably help us augmenting our order book in the future. In order to position ourselves for the rising demand, we have started to further expand our capacities and are converting our wet basin into a second dry dock which will perhaps be the largest in the world. We will incur a CapEx of approximately Rs.2,500 odd crores for the conversion. This will be funded by also through -- also through several long term financing options available to us.

We are well placed with respect to our debt equity ratio and this additional CapEx will keep our gearing at reasonable levels. During the year we Pipavav formed a strategic partnership with UK's Babcock Group to build next generation at aircraft carriers for the Indian navy. This partnership gives Pipavav access to expertise skill and experience required for the conception of larger craft carriers. It adds to the large number of alliances forged by Pipavav with a range of global majors including Northrop Grumman, SAAB Dynamics, DCNS, Babcock and Sembcorp Marine to name a few.

This partnership have enabled Pipavav to capture a whole new spectrum of opportunities in the defence space and provide us the technical expertise for both civilian and defence applications. In my closing remarks I would like to share that the outlook for the defence and offshore segment is favorable. The government is moving towards announcing India's defence preparedness and is investing in a modernized military defence infrastructure. So, an increased defense budget outlay.

The government has also clearly stated its policy that allows greater participation of private domestic companies in the defence space directly and through offset closes on imports. We also see opportunity in the offshore space as large With that I will now take your questions. Thank you.

Questions And Answers

Operator

Thank you very much sir. Ladies and gentlemen we will now begin with the question-and-answer session. [Operator Instructions]. Our first question is from Nishid Shah of Ambika Fincap. Please go ahead.

Nishid Shah

Hi, Jigar congratulations on a good set of number. Couple of things one what is the debt level as of date? And if you could be little more specific as to how you expect to fund that 2,500 crores of second drydock expenditure?

Jigar Shah, Chief Financial Officer

--, thank you. Our appraise limit with the banks for the long-term financing is 1.5 to 1. Today our debt equity ratio is approximately 0.6:1. So we are, I would say we are low leveraged company. And as you know this kind of long-term and captive infrastructure projects are generally funded through debt equity of 2:1 or 3:1. But we would not like to raise much of a debt by crossing 1.5.

So, we propose to fund this project entirely through debt. And even if fully draw down the debt as of today, my debt equity ratio will not be more than 1.3:1.

Nishid Shah

What is the cost you expect of the debt if you are planning to do in local debt raising or are you trying to take international?

Jigar Shah, Chief Financial Officer

We are right now working on both the scenario, rupee term loan as well as ECB.

Nishid Shah

Okay, okay. And what happened to that equity that you were to give to a strategic investor at Rs.110, what is the status on that?

Jigar Shah, Chief Financial Officer

We are in advance stage of discussions and I think we would be able to share further details to you in a nearest future.

Nishid Shah Jigar Shah, Chief Financial Officer

Investor is fully committed towards Pipavav and the kind of development which has happened, although in a last September there were certain issues being raised but now the defence JV policy is already been announced and we have once again got the approval from Mazagon Dock, which indicates our not only an executing capability but also supreme infrastructure. So, we should be coming to you in a nearest future.

Nishid Shah

But do you need any government approval on these infusion of money by a strategic investor?

Jigar Shah, Chief Financial Officer

That way the defence allows, the FDI policy allows upto 226%. So, even if any approval is required it will be taken in due course.

Nishid Shah

You mean to say, you still need to take approval on this.

Jigar Shah, Chief Financial Officer

We have approached them because 26% I can raise an FDI to my company and today my limit is around 13% to 14% so I have a pretty flexible FDI gap available.

Nishid Shah

What are you saying 13% to 14% is the -- holding in your -right?

Jigar Shah, Chief Financial Officer

Yeah. That's what right now the FDI policy says.

Nishid Shah

Okay. So then but once they come in then your FDI limit will be full practically?

Jigar Shah, Chief Financial Officer

No that is I don't look at from that perspective because if you really see in last 18 months, the government has come out with lot of developments, lot of announcement has been made. And that leads to us increasing the private sector participation in the defence infrastructure. Not only in infrastructure but also in the defence technology per se, lot of TOT has been allowed now, Transfer of Technology.

Government has become very stringent on their -- clauses. So we expect lot of foreign investors with the foreign technology will be coming to India. And I am sure, government will also consider in a due course of time in raising the limit because finally if India has to build its defence strength, I think we need a technology. So, we are very confident and the way the government has is giving extraordinary focuses on the building the defence strength from the national security point of view, I think we believe government can allow on case to case basis.

Nishid Shah

What's the order book as of date, is the order book gone up or will gone down after...

Jigar Shah, Chief Financial Officer

Right now, we are not looking for any commercial orders. We are working predominantly on the defence side and the offshore segment. Few of contracts has already been submitted, has already been bidded for ONGC and since now we have got an approval from the Mazagon Dock, the fine tuning is happening and we will be coming to you for further announcements.

Nishid Shah

So along with these JV's approval have you got any work from the Mazagon Dock?

Jigar Shah, Chief Financial Officer

See, as soon as it is being done we being a listed company we will certainly make a announcement to the public at large.

Nishid Shah

Fair enough, fair enough. And how, by what timeframe you expect the second dry dock to be commissioned?

Jigar Shah, Chief Financial Officer

Less than 24 months.

Nishid Shah

From?

Jigar Shah, Chief Financial Officer

From April, this April, April 2012.

Nishid Shah

So, you expect.
See, we have already built, we have already build the first dry dock at about 18 to 20 months so certainly but we would like to be little conservative.

Nishid Shah

So, March 14 is the outer limit would you say?

Jigar Shah, Chief Financial Officer

Correct.

Nishid Shah

Okay. Thanks a lot. This is all from my side for the time being. If I have any more questions, I will come back to you.

Jigar Shah, Chief Financial Officer

Thank you Nishid.

Operator

Thank you very much. Our next question is from Bharat Choda of ICICI Direct. Please go ahead.

Bharat Choda

Hello sir. Just wanted a information on the subsidy that we have accounted in Q4?

Jigar Shah, Chief Financial Officer

Approximately 23 crores has been booked.

Bharat Choda

23 crores and Q3 what was the figure?

Jigar Shah, Chief Financial Officer

Approximately Rs.35 crores.

Bharat Choda

35 crores. And how sir, how much of the revenues is on the commercial thing like the export revenue that we have booked during the quarter?
See today all my revenues for financial year FY11, '12 the export only, that is commercial as well as the offshore.

Bharat Choda

Okay.

Jigar Shah, Chief Financial Officer

The defence has just started.

Bharat Choda

Okay. So this is including on this panamax. So much has been done on that commercial order?

Jigar Shah, Chief Financial Officer

We have significant because about six vehicles in full fledged conditions are under construction and 12 offshore vessels are under construction.

Bharat Choda

Okay.

Jigar Shah, Chief Financial Officer

So entire export, entire revenue is on an export and from the commercial, mainly from the commercial segment.

Bharat Choda

So these six vessels by when they are expected to be like sent to the clients, delivered to the clients?

Jigar Shah, Chief Financial Officer

Can you just repeat please?

Bharat Choda

The six commercial vessels that are under construction, by when they will be like delivered to the clients?

Jigar Shah, Chief Financial Officer

It will be delivered in this financial year.
This year FY13?

Jigar Shah, Chief Financial Officer

That's true.

Bharat Choda

And ONGC order will be completed by?

Jigar Shah, Chief Financial Officer

Yeah, I think by this financial year.

Bharat Choda

Okay. So ONGC and this six vessels going to clients by FY13?

Jigar Shah, Chief Financial Officer

That's true. I should add also more point, which generally we used to say in the call. We have also started a multi-docking of the vessels. So any one of you who is on the call if they go and visit Pipavav they will see a completely different infrastructure or completely different show, about six months ago.

Bharat Choda

Okay.

Jigar Shah, Chief Financial Officer

Anyone would like to go, please be in touch with the either our IR guys or with us. And you will see a tremendous changes at the yard.

Bharat Choda

Okay. Sir just one more thing like just on the raw material cost, I mean lot of trading has like increased trading income so what is that?

Jigar Shah, Chief Financial Officer

If you really see there is no income actually, see we have SEZ, we have - there has to be certain internal transfer, there are certain material which we have got in long term contract which has been given off. There is no revenue per say. It is the actually more less on the zero side.
Okay. And the other expenditure is also quite lower this time like if you see on a Q-on-Q basis, any specific thing over there?

Jigar Shah, Chief Financial Officer

As you know Bharat which we used to say every time. We have to achieve our cost efficiency.

Bharat Choda

Right.

Jigar Shah, Chief Financial Officer

Trying hard

Bharat Choda

Okay.

Jigar Shah, Chief Financial Officer

I would say the FY11, '12 technically was our first full financial year up in operations. Gradually when we work when, the time passes we would like to achieve much more and more efficiencies. That is because of the reason we could maintain our EBITDA margin and we would like to see that the margin goes up.

Bharat Choda

Okay.

Jigar Shah, Chief Financial Officer

So wherever like where we had to spend and we have learned over a period of time we are able to reduce cost towards that.

Bharat Choda

Okay.

Jigar Shah, Chief Financial Officer

So that's a positive part of the company that we are making all our efforts to reduce our cost on a ongoing basis.

Bharat Choda Jigar Shah, Chief Financial Officer

Yeah.

Bharat Choda

Could you please provide more clarity on the same, because it says like it's an arbitration and company has a strong --. So, could you just elaborate on that?

Jigar Shah, Chief Financial Officer

I thought the note was well explanatory but anyway. See, we believe that this kind of an arbitration, it is generally a trend in the shipbuilding industry. We also had similar instances in the past. So, we have the existing order for Panamax at a -- vessel and the arbitration has been initiated by us because of some changes in the material. So, we believe we have a very strong case and there is no cause of a concern for anyone.

Bharat Choda

Okay. So this would be part of the order book?

Jigar Shah, Chief Financial Officer

Absolutely. This is a general phenomena in the shipbuilding industry. I am sure you will hear from almost everyone.

Bharat Choda

Okay. Okay, sir that's it from me. If I have any other questions I will come back.

Jigar Shah, Chief Financial Officer

Thank you, Bharat.

Bharat Choda

Yeah, thanks.

Operator

Thank you very much. [Operator Instructions]. Our next question is from Arpit Gupta of CRISIL. Please go ahead.

Arpit Gupta Jigar Shah, Chief Financial Officer

Good afternoon, Arpit. See in the defence side from the Pipavav point of view.

Arpit Gupta

Right, sir.

Jigar Shah, Chief Financial Officer

I think the order should flow from two ways, and the direct order from Government of India, that's Ministry of Defense.

Arpit Gupta

Right.

Jigar Shah, Chief Financial Officer

Which we already have one of the order we already have. And the second way is an order from the Mazagon Dock or the defence shipyard. Because defence shipyards like Mazagon Dock as I said in my statement they have order book of more than 1 lakh crores.

Arpit Gupta

Right, sir.

Jigar Shah, Chief Financial Officer

Government is very keen to build the defence assets on a speedy manner.

Arpit Gupta

Right.

Jigar Shah, Chief Financial Officer

We believe good amount in order will flow to Pipavav no doubt.

Arpit Gupta

Okay.
They have been existing. And we have already submitted our tenders and our details to Ministry of Defense for the direct orders. We believe this year we should have a good amount of defense orders considering both the way.

Arpit Gupta

Okay. Sir on our existing order book like some around US$665 million, so it is I mean it's all the warship order or they are some other kind of ships also in that?

Jigar Shah, Chief Financial Officer

No, they are only warships in this.

Arpit Gupta

So I mean, I believe how would they be executed at because we have never I mean execution capabilities and all we would be able to make it is our -- when are we expecting to deliver that first ship on this execution front?

Jigar Shah, Chief Financial Officer

That is a good question. When we have started shipbuilding yard, none of management side including a promoter has led any vessels. They are proud that we have build the largest vessels ever build in the country.

Arpit Gupta

Right sir.

Jigar Shah, Chief Financial Officer

Let's take a independence of say 63 years to 64 years, no one has build this kind of vessel so we have --. We also become first company to get the warship license. So, I am sure while granting a warship license, the lot of fact has been seen and at that point of time when the warship license was announced, I think we have non delivered even a single vessels, I think that was a lot of concern from all my stakeholders.

Arpit Gupta

Right.

Jigar Shah, Chief Financial Officer

And not only we have delivered the vessels but we have delivered the finest vessels ever build in that country.

Arpit Gupta

Right.

Jigar Shah, Chief Financial Officer

I think from the execution capability that should not be any concern. The second point we had received Mazagon Dock approval last year. Again after a JV policy and -- again we have received an approval

Arpit Gupta

Right sir.

Jigar Shah, Chief Financial Officer

I think that clearly vindicates our stand that we not only have a excellent infrastructure but we do have an execution capability because otherwise government will not grant a license for a building a front line warship.

Arpit Gupta

Right sir. So, sir can you give some guidance on when can we expect to deliver first kind of a warship because...

Jigar Shah, Chief Financial Officer

The existing contracts says to be delivered within now three years.

Arpit Gupta

Okay. So, within three years. And sir since we would be taking technical support from big giant global players for this things, for this warships and all for the existing order. So, how would that impact the margins, I mean, execution of this order because we are making for the first time?

Jigar Shah, Chief Financial Officer

See, we believe there are no good defense technology in the country right now and we are trying to tie up good long-term defense technologies.

Arpit Gupta

Okay.

Jigar Shah, Chief Financial Officer

That's how we Pipavav alone could tie up with about 8 to 10 defense giants of the world. So that shows we have a capability from not only from the catering or capturing the defense technology point of view but we also have a capability to build this kind of a vessel. So, this margin is not -- the cost towards that is not going to impact. Because whenever we have bid for the vessels this cost has been captured into my budget.
Okay. So in spite of you were taking, getting technical expertise and I think this is also not, we're not any subsidy also on this thing. So it would be equally competitive.

Jigar Shah, Chief Financial Officer

See that way, lot of human engineering or value addition is required in the defence vessels as compared to the commercial vessels. We have now more than 250 people ex-navy people with us, and about 12 people are the top ranks of the Indian Navy which brings them, they bring a huge amount of an expertise and experience in building these kind of vessels. They have been posted all over the world and they're uniformed by the Government of India we will get the best in class of a technology, but also a good partner who will not only help Pipavav b it will also assist the Ministry of Defence in their quest to become a self reliant.

See today we need a best defence technology, at d country from the national security point of view. I think the tie-ups which we have done they are whose who kind of a thing. It will not only benefit the company but it will also benefit the country.

Arpit Gupta

Okay, fair. And sir can you put some more light in this Mazagon JV, I mean what kind of a revenue sharing or margin sharing would be on those orders or on those Mazagon dock orders that would be executed at our shipyard?

Jigar Shah, Chief Financial Officer

As soon as -- right now we are fine tuning our agreements and as soon as we're ready and we sign, we will have -- any way we will have announced to the public and I think all of your questions would be answered.

Arpit Gupta

Okay. Sir no problem. Thank you so much for taking my questions sir. no problem sir Thank you so much for taking my questions sir.

Jigar Shah, Chief Financial Officer

Thanks Arpit.

Arpit Gupta

Okay.

Operator

Thank you very much. [Operator Instructions]. Our next question is from Pooja Kachhawa of Motilal Oswal Securities. Please go ahead. Yeah, hi Mr. Jigar.

Jigar Shah, Chief Financial Officer

Hi, Pooja.

Pooja Kachhawa

Sir I have three question. First is if you can throw some light on the tax amount for 4Q FY12, because I believe for the nine months FY12 we have an average tax rate of 36%.

Jigar Shah, Chief Financial Officer

Okay. Tax rate.. yeah.

Pooja Kachhawa

Yeah, and the second question is on how much -- what is actual subsidy we have received in FY12. And third question is what is our out look for FY13 in terms of top line and bottom line?

Jigar Shah, Chief Financial Officer

Okay. Since it was full financial year results we had to provide for a deferred taxes because company has made huge infrastructure, right.

Pooja Kachhawa

Okay.

Jigar Shah, Chief Financial Officer

We have ongoing kind of an advantage in terms of the depreciation and the developments carried out at the sight. So, this are the benefits which will be accrued in next two to three years. But as far as the current law is concerned and to provide for today. So, majority of the amount which is provided is towards the deferred taxes.

Pooja Kachhawa

Okay.

Jigar Shah, Chief Financial Officer

Not for actual tax payment.
Right.

Jigar Shah, Chief Financial Officer

Right, the second question of was a receiving of a subsidy. We would be receiving the subsidy this financial year, because last year the budget and everything got post, was in the March. So, we haven't received anything last financial year. It will be done today.

Pooja Kachhawa

Okay.

Jigar Shah, Chief Financial Officer

In terms of the outlook of this current financial year, we are very up beat because we have received approval from the again from the Mazagon Dock and the process are in very much advanced stage, in terms of in offshore the ONGC is also come out with couple of bids and which we have also bidded, so we believe this year we would be able to announce couple of announcements in terms of addition in our order book.

So this financial year we are very, very I would say very up bit and we would see definitely a huge amount adding into my order book.

Operator

Mr. Kachhawa do you have anymore questions. Thank you very much. Our question is from Nishad Shah of Ambika Fincap. Please go ahead.

Nishid Shah

Jigar, what will be the impact of this rupee depreciation most of your orders are exports and it would be in U.S. dollar. So, how much you stand to benefit and how much of that has been accrued and how much of that been not accrued and what show hedging policy as far as the your year-end goes?

Jigar Shah, Chief Financial Officer

Okay. -- we are very conservative with respect to the ForEx transactions and we have a very robust and risk cover foreign exchange policy. So, though the rate has gone up, even a last time in terms of yes, the receipt we would gain by about 10% but we haven't encountered any of losses in for last three years because we believe, because we take of two, three way of hedges.

One is you know we take forward cover. Second, we also have a certain natural hedge in terms of getting certain input items. So, we have not been effaced by either steep increase or the steep decrease in the foreign exchange rate. So, foreign rate, yeah on the contrary when the rupees depreciate, as a company we tend to gain but that's not the gain which we are right now looking for. Because we have a natural hedge, no doubt when rupee will appreciate also, we will come into the -- but I last quarter, I think December quarter or maybe September quarter, that was the situation prevailing but we haven't entered into any kind of a losses. Because we are, we take a very, very safe and risk covers

Nishid Shah

Would you throw some light on why the interest cost has gone up substantially in the fourth quarter and the how do you see that shipping up over the next 12 months?

Jigar Shah, Chief Financial Officer

See, last financial year we have capitalized almost all our assets which was build over a period of time. Like a drydock Goliath crane and certain other machinery was gets capitalized. So far the interest was charged to the revenue - sorry charge to the capitalization up till last FY10-'11 financial year and from the last financial year '11-'12 that is been started charging to the profit and loss account and that is the reason you are seeing that there is an increase in the interest costs.

Nishid Shah

How do you see next year?

Jigar Shah, Chief Financial Officer

We would like to -- we believe that the interest cost will reduce from the rate point of view because we believe now the government will reduce the rate, point number one. Second point, we would also like to cut our debt exposure from the phase one.

Nishid Shah

How will you cut it?

Jigar Shah, Chief Financial Officer

-- will reduce.

Nishid Shah

How will you cut the debt exposure?

Jigar Shah, Chief Financial Officer

We're trying to raise like as I said, we are trying to get a strategic equity from our strategic investor and would like to part pay the debt back to the -- back to the lender. So, that way we will see that our cost will get reduced.

Nishid Shah

Could you throw some light on some of the initiatives on the non-navy areas of defence that you have been working on army and the air-force side?

Jigar Shah, Chief Financial Officer

We have got a few approvals in terms of army site. We are developing the site, we are developing a fabrication facility for Indian Army near Jhansi and certain approvals has already been obtained. We are finalizing the development plan and we would soon start the construction activity which will take about less than 12 months. And we are also in the discussion with the government for an order for which there is a proprietary technology available with foreign party, who has supplied huge army related equipments to the India Army to the Ministry of Defense.

So, there we are progressing on a very breakneck speed. In terms of offshore, sorry, in terms of air -force, we have already tied with Airbus for developing MRO facilitates. So, right now the fine tuning is happening and since now the government have already announced the defence JV policy, the things are likely to move very fast now onwards.

Nishid Shah

When do you expect MRO facilities to be ready, have you started implementing or not yet?

Jigar Shah, Chief Financial Officer

No, we would starting, we would be starting very soon.

Nishid Shah

And when do you expect to be up and running?

Jigar Shah, Chief Financial Officer

See soft operations can be started in about 12 to 14 months.

Nishid Shah

Okay. And is there any other initiatives on the air-force side apart from the MRO facility?

Jigar Shah, Chief Financial Officer

Since, see -- the foreign companies to who which we have tied up like Saab, Northrop Grumman, Babcock, they also have certain a good amount of an exposure in the air force segment. So, right now we are in the discussions with them which is I won't say preliminary, but yeah in a very good stage and certainly once we've finalized an integrity with them and will again come and disclose to the public at large. But yes we are working, we have got certain approvals and we will soon announce such developments.

Nishid Shah

Would the army and the air force initiatives call for a significant CapEx?

Jigar Shah, Chief Financial Officer Nishid Shah

You will be able to make it through the internal accruals?

Jigar Shah, Chief Financial Officer

Yeah.

Nishid Shah

Thanks a lot Jigar. That's all from my side.

Jigar Shah, Chief Financial Officer

Thank you.

Operator

Thank you very much. [Operator Instructions].

Jigar Shah, Chief Financial Officer

We don't have further questions we can close.

Operator

Yes sir we don't have any further questions from the participants. I would now like to hand the floor over to the management for closing comments.

Jigar Shah, Chief Financial Officer

Once again thank you for joining us today. The company's mission remains striving to create sustainable value for all our shareholders and we are grateful for your interest in the company. Going forward please feel free to contact us or our Investor Relations team regarding any questions that you may have. Thank you and have a good day ahead. Thank you.

Operator

Thank you very much sir. On behalf of Pipavav Defence and Offshore Engineering Company Limited, that concludes this conference call. Thank you for joining us and you may now disconnect your lines.