

Operator

Ladies and gentlemen, good day and welcome to the Q4 FY12 Results Conference Call of Jyoti Structures, hosted by Prabhudas Lilladher Private Limited. As a reminder for the duration of the conference, all participants line are 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. At this time, I would like to hand the conference over to Mr. Kunal Sheth. Thank you. And over to you, sir.

Kunal Sheth

Yeah. Thank you, Lavina. On behalf of Prabhudas Lilladher, I would like to welcome the management of Jyoti Structures on the call represented by Mr. Sudhir Nayak. I would request to you sir to please give us some opening remarks and then we'll open the floor for Q&A. Over to you, sir.

Sudhir Nayak, Senior Vice President, Marketing and Finance

Thank you very much, Kunal. Good afternoon all of you. Thank you once again for continued interest in Jyoti Structures Ltd. I would like to first of all brief you about some numbers for the year ended 31 March, 2012. We had a growth of 8% and the gross sales was 2,648 crores. The breakup of this was domestic 82% and the export deemed, export put together was 18%.

Further breakdown of the sales if I may give you transmission line was 75%, substation 8% and rest of it that is 17% was rural electrification.

Just to give you some percentages to net sales. Materials were 55% more or less inline with the last year, staff was 3.05%, erection and sub-contracting expenses were placed at 22.75%. This was again inline with whatever growth we EBITDA percentage was 11.17, interest and finance cost that is total was placed at 5.42%. Depreciation was 21 crores, profit before tax was 4.94%, profit after tax was placed at 3.29%. We manufactured and sold structured quantity was around 101,000 tonne that is 1,01,000 metric tonne. Some numbers from balance-sheet. Total borrowings as of March 31, 2012 was 734 crores which included NCDs of 121 crores, short-term bank borrowing was at 411 crores and long-term borrowings were 202 crores. NCDs as you all know we have paid on 14th of May this year that is after the end of financial, last financial year.

Outstanding letters of credit which we have established on vendors, those amounted to about 600 crores and odd. The average cost of borrowing was at 12.5% and of course on LCs have been spending something like 10.75% per annum.

Raw material, the number of days were 30, finished goods five days and debtors have increased as compared to last quarter end. They have been placed to just over 200 days. Coming to the order book position, as of April 01, 2012 we started the year that is as on April 01, 2011 we had an order book of 4,500 crores. The executed orders worth 2,648 crores that the gross sales and we received orders worth 2,478 crores over last one year. And therefore we have ended the last year or rather we have started this new financial year with an order book of 4,330 crores.

Out of this domestic constituted 69% and export, deemed export was 31%. The orders were mainly received from power grid and Maharashtra. Order book of 4,330 crores if I further breakdown the transmission line was 60% sub-station and rural electrification each is at 20%. Further broad breakup of this order book of 4,330 crores, power grid is 40%, Madhya Pradesh where we are executing some rural electrification project that constitutes 7%. Private players they make 6% and rest of the clients they add 31%. The rest of the clients if I just give you some names it's DVC, West Bengal, Rajasthan, Chattisgarh, Assam and Punjab. That's a broad break up of the order book position.

Business on horizon, we have technical bid submitted to various clients, but the last portion of that is with Power Grid. As on 1 April, 2012, we have an opened bids with Power Grid amounting to 4,500 crores, overseas is about 500 crores and other domestic players is around 1,500 crores. So it means if we add up all this, we have unopened price bids with various utilities adding up to 6,500 crores, but major chunk of that is with Power Grid adding up to 4,500 crores.

Then if I just look at the next two months bids which are on the annual, again Power Grid is the big number. The bids are amounting to 3,900 crores, the others as well as overseas if I add about 700 crores. So on the annual for the next two months is business worth to 4,600 crores. Power Grid 3,900 and 700 is the rest of it.

Gulf Jyoti just to quickly give you a snapshot. Their year ended 31 December, 2011. They had sales of 208 million Dirhams, as against last year sales of 105 million Dirhams. They made profit after tax of 12 million Dirhams as against 5 million of last financial year. They have started the year that is 1 January, 2012 with an order book of AED 500 million. Jyoti Structures Africa, I am very happy to

inform all of you that we were thinking that we'll breakeven during next financial year, but we are already broken even as of 31st March, 2012 and we've made profit there.

Jyoti Structures Africa had top-line of ZAR 180 million. They made profit of ZAR 31 million and they have an order book of ZAR 150 million. So that's the snapshot as far as Jyoti Structures Africa is concerned.

With that, I think I'll conclude my opening remark. And I would like to this open to the questions. Thank you very much.

Questions And Answers

Operator

Thank you, sir. We'll now begin the question-and-answer session. [Operator Instructions]. Our first question from the line of Sandip Tulsian from JM Financial. Please go ahead.

Yeah. Good afternoon, sir.

Sudhir Nayak, Senior Vice President, Marketing and Finance

Yes, Sandeep.

Sandeep Tulsian

Sir, my first question is regarding the big pipeline that you suggested.

Sudhir Nayak, Senior Vice President, Marketing and Finance

Yeah.

Sandeep Tulsian

Over the last two to three quarters are you observing a trend where the total quantum of order from SEBs and private sectors is gradually declining, while on the other hand Power Grid orders are the only one who are maintaining the momentum?

Sudhir Nayak, Senior Vice President, Marketing and Finance

Yeah. In fact, during the last quarter or other previous quarter, there was not much on the anvil firm out Power Grid as I was informing that point of time also. But then we were sure that Power Grid will be back in business and as we understand next five years that is 2012 to 2017 they are going to spend more than 100,000 crores on all the, I mean both the segments, that is transmission lines as well as sub-station. And this year itself they have planned something like 20,000 crores as an out go. So we are quite bullish about Power Grid. And yes as you can see we have moved towards Power Grid during this year.

Sandeep Tulsian

Right. Sir but what is your outlook on the ordering from the ACBs and private sector?

Sudhir Nayak, Senior Vice President, Marketing and Finance

We would like to focus on ACBs who will be paying in time. So therefore there may be some bids out there but we are not targeting all of that. I think some ACBs who could be out to the market is definitely like West Bengal City Electricity Board or Rajasthan again those projects are funded. So otherwise, I think the whole accent is going to be Power Grid for some point of, for some time now and definitely overseas markets like Kenya, Ethiopia and Uganda.

Sandeep Tulsian

Alright. Okay sir and the second question is regarding the NCDs which have matured in this month. So basically we had a very low coupon rate of 7% on that?
Right.

Sandeep Tulsian

So since our working capital requirement has gone up at the year end, we are most likely to repay this debt by the existing short-term domestic debt. Am I right in assuming that?

Sudhir Nayak, Senior Vice President, Marketing and Finance

That's right.

Sandeep Tulsian

So we'll be paying a higher relatively in this year higher interest over the next two to three quarters and then it may normalize as we liquidate working capital?

Sudhir Nayak, Senior Vice President, Marketing and Finance

Yes. But at the same time since our except to some extent is going to overseas business, that will mean that we'll borrow in terms of foreign exchange, foreign currency also. And we'll have a natural hedge for that. So to that extent interest cost should come down and should compensate for that. But you are right, at this point of time the NCDs have been replaced by other domestic borrowing.

Sandeep Tulsian

Okay. Sir if you could give us some idea basically see 120 crore was NCD, how much proportion you intend to replace through 400 where we will not see any meaningful increase in interest?

Sudhir Nayak, Senior Vice President, Marketing and Finance

No, it will not be foreign debt per se for replacing this NCD. Because this NCDs have already been fully repaid, and currently it is replaced by rupee debt, domestic rupee debt. So I think that you wait for couple of months to really come up with, we will have to receive those orders and then we'll borrow then foreign currency.

Sandeep Tulsian

Sure. Perfect. And sir lastly I would just like to know as looking to quarterly depreciation number...

Sudhir Nayak, Senior Vice President, Marketing and Finance

Yeah.

Sandeep Tulsian Sudhir Nayak, Senior Vice President, Marketing and Finance

I really don't know, I will have to find out Sandeep I will come back to on that.

Sandeep Tulsian

It was a very sharp decline...

Sudhir Nayak, Senior Vice President, Marketing and Finance

I will look at only annual numbers. As I get progressively the quarter numbers I really ignore the quarter numbers, I will just look at the cumulative numbers.

Sandeep Tulsian

Have you sold off big ticket asset?

Sudhir Nayak, Senior Vice President, Marketing and Finance

No, we've not sold off anything.

Sandeep Tulsian

You've not sold off any asset.

Sudhir Nayak, Senior Vice President, Marketing and Finance

No, no.

Sandeep Tulsian

Okay. So probably our interest rate is going to, I mean interest cost is going to, I mean depreciation cost is going to decline going forward, I believe.

Sudhir Nayak, Senior Vice President, Marketing and Finance

And I don't think so, because I really don't think that we can go below that 21 crores, 22 crores for sometime.

Sandeep Tulsian

Okay, sir thank you very much. That's it from my side.

Thank you. [Operator Instructions]. Our next question from the line of Richa Jain from Crisil. Please go ahead.

Analyst

Hello sir.

Sudhir Nayak, Senior Vice President, Marketing and Finance

Yes Richa.

Analyst

Yeah. Sir, just wanted to understand what are your CapEx plan for the next financial year?

Sudhir Nayak, Senior Vice President, Marketing and Finance

We'll have CapEx of in the region of 20 crores to 25 crores as I can see now, but it is being still firmed up. So I'll be able to give the right kind of number may be in a month or two.

Analyst

Okay. So this would be maintenance CapEx or some expansion plan?

Sudhir Nayak, Senior Vice President, Marketing and Finance

Some of it will be maintenance and rest of it will be for acquiring construction equipment.

Analyst

Okay. So what are your current capacity utilization numbers?

Sudhir Nayak, Senior Vice President, Marketing and Finance

For the last year?

Analyst

Yeah '11-'12?

Sudhir Nayak, Senior Vice President, Marketing and Finance

'11-'12 we manufactured and sold something like 1,01,000 metric tonne.

Okay. And your capacity was at 1.16 lakh?

Sudhir Nayak, Senior Vice President, Marketing and Finance

Capacity is at 1,10,000 tonne.

Analyst

Okay. So 100% capacity utilization.

Sudhir Nayak, Senior Vice President, Marketing and Finance

Slightly lower than that, you can say 90%, 92%.

Analyst

Okay. And sir wanted to understand sir, you gave us the volume order book in terms of rupees. So can I get what is the kind of volumes that you are seeing in '11, '12, volume growth in the next year?

Sudhir Nayak, Senior Vice President, Marketing and Finance

No. Volume growth for the current year you are saying?

Analyst

Yeah, '11, '12, sorry going ahead '12, '13.

Sudhir Nayak, Senior Vice President, Marketing and Finance

You're talking about production or you're talking about order book?

Analyst

Production. Sir, what is the kind of guidance you could give for the coming up year?

Sudhir Nayak, Senior Vice President, Marketing and Finance

See as far as production is concerned, we have capacity of 1,10,000 metric tonne.

Analyst

Okay.

We have tie-up with some of the companies on whom we depend on for fabrication.

Analyst

Okay.

Sudhir Nayak, Senior Vice President, Marketing and Finance

Right. So, we don't have any worry there, even if we have to manufacture 150,000 metric tonne for the year

Analyst

Okay.

Sudhir Nayak, Senior Vice President, Marketing and Finance

We are prepared. Like we did last year, we manufactured something like 1,50,000 metric tonne. Although, our capacity was limited to 110,000 metric tonne.

Analyst

Okay. And sir lastly, what is the kind of competition that you're seeing in your domestic market in terms of -?

Sudhir Nayak, Senior Vice President, Marketing and Finance

Yeah, competition has not really died down except some players who have either stopped submitting their bids or Power Grid has stopped opening their financial bids, price bids. So, there is some, okay, some dilution I would say. But still in terms of pricing it has not improved as of now.

Analyst

Okay. Now - is, is it because Power Grid has changed it's norms or anything like that? Made it more stringent or something on that sort?

Sudhir Nayak, Senior Vice President, Marketing and Finance

Unfortunately, the norms have remained same. But fortunately the players who bagged orders last year or a previous year, they have started showing their non-performance, so that's the soul reason why Power Grid or other clients have decided not to envelop, not to open the envelopes of these companies.

Analyst

Okay. And sir, lastly sir, what is the kind of EBITDA margins that you are seeing in the coming years or depending on your order book position right now?

Sudhir Nayak, Senior Vice President, Marketing and Finance

I can see and I would like to inform that it should be hovering in the region of 10.5% to 11%.

Analyst

Okay. Thanks a lot, sir.

Operator

[Operator Instructions]. Our next question from the line of Amitabh Sonthalia from SKS Capital. Please go ahead.

Analyst

Hi. This is Shubhankar from SKS capital. I got two questions, one is this your daters are nearly 1,400 crores. Can you give some insight to this who are these daters and as percent, who are the major daters basically?

Sudhir Nayak, Senior Vice President, Marketing and Finance

I don't think, I'll be able to give for this audience what the breakup of that, but what I can only say is the that, we are working on this data and lot of it has got connection with... there are some projects, where there are dependency clauses. And where there are some projects where there are cash flow issues with some of our clients. So, we are constantly working on this. This is the top most agenda for me personally as well as the top management of the company.

Analyst

Okay. So, in terms of any bifurcation out of this how much will be under say PSU and how much would be private clients?

Sudhir Nayak, Senior Vice President, Marketing and Finance

You have to remember one thing that this also constitutes retention amounts. So, this all put together.

Analyst

How much would that be?

Sudhir Nayak, Senior Vice President, Marketing and Finance

In terms of amount it should be around 300 crores.

Analyst Sudhir Nayak, Senior Vice President, Marketing and Finance

Yes.

Analyst

Okay. And secondly just a thought motor holdings say only 28%. So is there any thoughts from the promoter in to increase their holding in near-term?

Sudhir Nayak, Senior Vice President, Marketing and Finance

Not really.

Analyst

Not really. Because the place is also.... I think 80% nearly of their holdings. Okay, no, no thoughts on that, right? All right, sir. Thank you so much.

Operator

[Operator Instructions]. Our next question from the line of Pankaj Chopra from Shanti AMC. Please go ahead.

Pankaj Chopra

Hello. Thank you for taking my question. I just wanted some insight and understanding into the LC funding. You said the number is about 600 crores as of March this year, is that right?

Sudhir Nayak, Senior Vice President, Marketing and Finance

Right.

Pankaj Chopra

Could I have the number for March last year please?

Sudhir Nayak, Senior Vice President, Marketing and Finance

I think it must have been around 450 crores, if I remember correctly.

Pankaj Chopra

450? And how does this work is it who funds this and you said its 10.5% right now as a rate? 10.75%.

Pankaj Chopra

10.75%.

Sudhir Nayak, Senior Vice President, Marketing and Finance

Yes.

Pankaj Chopra

Yeah. What's the mechanism please if you could kindly explain?

Sudhir Nayak, Senior Vice President, Marketing and Finance

Mechanism is at, there are vendors that are steel suppliers of steel or bought out components.

Pankaj Chopra

Okay.

Sudhir Nayak, Senior Vice President, Marketing and Finance

And we established this letter of credit on the suppliers.

Pankaj Chopra

Okay.

Sudhir Nayak, Senior Vice President, Marketing and Finance

And on that basis they effect the shipment at to our factories or to our sites.

Pankaj Chopra

Okay.

Sudhir Nayak, Senior Vice President, Marketing and Finance

And these are normally user - up to 180 days or so, anything between 150 to 180 days.
Okay, okay.

Sudhir Nayak, Senior Vice President, Marketing and Finance

On the due date -- so when they present the documents they get paid by their bankers

Pankaj Chopra

Okay.

Sudhir Nayak, Senior Vice President, Marketing and Finance

On 180 day or whenever the LC falls due we've the effect the payment.

Pankaj Chopra

Sure I understand. And this number, could you, do you, it's an off balance sheet item in and it just tends to kind of not give us a real picture on ROC, ROE numbers.

Sudhir Nayak, Senior Vice President, Marketing and Finance

It is not our balance-sheet, it is, this is included in our creditors.

Pankaj Chopra

It is included in your creditors, okay. In current liabilities, is it?

Sudhir Nayak, Senior Vice President, Marketing and Finance

That's right.

Pankaj Chopra

So if I do that, if I just, if I do an average of find average interest cost assuming the total debt which is as of March was 600 odd crores, the interest rate comes to about 25% and this is where I was finding a disconnect.

Sudhir Nayak, Senior Vice President, Marketing and Finance

Yeah. See you have to add this interest cost on the LCs also.

Pankaj Chopra

Okay, okay. So that's not free liabilities. Okay. I understand. Sure. Okay.

Sudhir Nayak, Senior Vice President, Marketing and Finance

Not really because if you add the 6,500 crores, these are the base which we already submitted and the price bids are yet to be opened.

Pankaj Chopra

Okay.

Sudhir Nayak, Senior Vice President, Marketing and Finance

Wherein about that there is business worth about more than 4,000 crores for which we'll have to submit our bids in next two months time.

Pankaj Chopra

Okay.

Sudhir Nayak, Senior Vice President, Marketing and Finance

And I'm happy that Power Grid is back in the business because we can way for more of that.

Pankaj Chopra

Sure, I understand. And could you give us a comment on the, you said the competition was in some sense more same with some people bids not being opened and the others not participating. Do we expect an uptick in margins? Would that be correct? Would that be right way to go about?

Sudhir Nayak, Senior Vice President, Marketing and Finance

This point of time I really don't get that sense.

Pankaj Chopra

Okay. So or do you think there is pressure? I mean one could expect pressure because not many people are having enough order books in various other segments of infrastructure.

Sudhir Nayak, Senior Vice President, Marketing and Finance

Right right. And then I don't see any improvement in the pricing for another six months at least.

You don't see that, okay. Could you give us some, you mentioned our profit number for the international business, Gulf Jyoti you

gave us a number, 208 million dirham you said was the revenues. I missed the profit number.

Sudhir Nayak, Senior Vice President, Marketing and Finance

12 million dirhams.

Pankaj Chopra

12 million was the profit for the quarter, right?

Sudhir Nayak, Senior Vice President, Marketing and Finance

For the year.

Pankaj Chopra

For the year, okay, okay fair enough. And for Jyoti Africa again it's 180 and 31 for the year?

Sudhir Nayak, Senior Vice President, Marketing and Finance

That's right.

Pankaj Chopra

Okay. How was the business shaping up, what kind of growth numbers can one expect on this one?

Sudhir Nayak, Senior Vice President, Marketing and Finance

Yeah. for both these companies there are different markets. As you know Gulf Jyoti focuses on MENA region Middle East, North Africa.

Pankaj Chopra

Right.

Sudhir Nayak, Senior Vice President, Marketing and Finance

And they currently have order book of 500 million dirhams.

Pankaj Chopra

Okay.
That should see them through for another one and half years. But at the same time we've been trying hard to garner some more business in the regions which I mentioned. Only Jyoti Structures Africa is focused in Southern Africa. Currently they are executing one particular project for SCOM and the client is extremely happy with the way we've executed the three projects which came our way. He had challenges there initially but I think we're doing well there. So, I don't see any problem in garnering more business from the same client.

Pankaj Chopra

Okay, I understand. And what about U.S you have not, how was business scenario in the U.S. for you?

Sudhir Nayak, Senior Vice President, Marketing and Finance

Yes, U.S. we commissioned the facility in the last week of March. It is up and running.

Pankaj Chopra

Okay.

Sudhir Nayak, Senior Vice President, Marketing and Finance

And as I have mentioning that we're registered with over 18 utilities there.

Pankaj Chopra

Okay.

Sudhir Nayak, Senior Vice President, Marketing and Finance

And we are looking up to bagging one more contact there, we should know about it in a month or two.

Pankaj Chopra

Well it means you already have one, right?

Sudhir Nayak, Senior Vice President, Marketing and Finance

Yes, we already have one.

Pankaj Chopra

Okay. And no revenues contribution from that or is it form of part of your exports?

Sudhir Nayak, Senior Vice President, Marketing and Finance Pankaj Chopra

Okay.

Sudhir Nayak, Senior Vice President, Marketing and Finance

But this year onwards we'll have consolidation from Jyoti Americas also.

Pankaj Chopra

Sure, okay. Would it be a big contribution does it move the needle at all?

Sudhir Nayak, Senior Vice President, Marketing and Finance

Not really, not so much during first year.

Pankaj Chopra

Thanks. Okay. And my final question area is really on your mix really, what I find is that your this RE has tends to be a lot more than it used to be and you've managed to maintain margins or not maintain, I mean in the current - you've maintained respectable margins

if I may say so, so RE has higher margin is that the way to look at it?

Sudhir Nayak, Senior Vice President, Marketing and Finance

No, again our approach is completely different. Yeah. First you can say RE has slightly better margin than the other business, but at the same time, we look at our kitty on an overall basis, we don't go by project-by-project.

Pankaj Chopra

So going ahead, do we see this mix changing towards anyone of these three or is going to be at all gap depends on how what comes is that?

Sudhir Nayak, Senior Vice President, Marketing and Finance

Yeah, exactly. It depends what kind of business like we putting a bids for all the three segments, translational line, substation and RE. So it depends which one we land up.

Pankaj Chopra

Okay. But given the choice which is the one you find more comfortable?

Sudhir Nayak, Senior Vice President, Marketing and Finance Pankaj Chopra

Okay. So more client oriented.

Sudhir Nayak, Senior Vice President, Marketing and Finance

Yes.

Pankaj Chopra

Sir, the last thing I mean you, the key stress point in the company seems to be your deters position. Could you give us what strategy is there. The number is only increasing and I don't beg you, it's across board, we've seen that across companies in the same business, in infrastructure space. What strategy are we adopting to ensure that this thing becomes is not a problem anymore. Or reduces as a problem as you go ahead?

Sudhir Nayak, Senior Vice President, Marketing and Finance

Yeah. Actually this problem is such that it can't be solved overnight.

Pankaj Chopra

Sure.

Sudhir Nayak, Senior Vice President, Marketing and Finance

Has got developed over a period of time. The first and foremost is we would definitely take towards the clients who will have good sound financials in terms of funding of the project. So, the first and foremost objective is to move away from the clients who are not really taking time or who are not pay masters. Therefore, our accent is going to be more on Power Grid as well as domestic market is concerned. Then we'll try our hands in overseas market too. Particularly in East Africa, where we see that all the projects are funded, either by African Development Bank or World Bank or multi-lateral funded agencies.

First and for most to change our client mix.

The second is yes, we have internal team drawn up from different functions and the functional heads rather. Working on this dates and it has been working well as I can see in last couple of months. And we will be able to come out of the woods maybe in couple of months time. I think by July, August we should be definitely be in a better position as far as receivable position is concerned.

Pankaj Chopra

I am sorry to - with more. What gives you the confidence because scenario cross industries or companies which are in the States who put up plants and what have you, I mean probably whose the guys who have given you business are. I don't seem to be in a position to getting their matters resolved. So, what gives this confidence of on next couple of months? It is more about, it has got lot to do about our way of working also.

Pankaj Chopra

Sure.

Sudhir Nayak, Senior Vice President, Marketing and Finance

So, that's what when I say that this team which is working on the dates or the receivables able to over come this.

Pankaj Chopra

Okay. Okay. Thank you very much and all the best.

Sudhir Nayak, Senior Vice President, Marketing and Finance

Thank you.

Operator

Our next question from the line of Ankush Sharma, MF Global. Please go ahead.

Ankush Sharma

Good afternoon, sir. Just on your execution, I mean we've seen a sharp fall in or rather a sharp slowdown in our execution over the last two quarters and if I remember correctly, you mentioned that this was an account of both ROW issue as well as us going slow in terms of delivering to clients. So is that something that has continued into Q4 last given our current order book of close to about 4,300 crores odd, what's the kind of revenue growth that you are targeting for FY13 please?

Sudhir Nayak, Senior Vice President, Marketing and Finance

Yes. On the basis of the current annual uptick plan what we've worked out, we can see easily we touching top line of 3,000 crores during this financial year.

Pankaj Chopra

Okay. And the reason for the slowdown and execution in Q4 was that again ROW issues plus us going slow, is that the only are those only two...

Sudhir Nayak, Senior Vice President, Marketing and Finance

ROW on some projects and payment related issues, were the two reasons.

Okay, great. Thank you sir.

Operator

[Operator Instructions]. Our next question from the line of Ravi Swaminathan from Spark Capital. Please go ahead.

Analyst

Good afternoon sir.

Sudhir Nayak, Senior Vice President, Marketing and Finance

Good afternoon.

Analyst

Sir, this quarter tax rate has been lower than the previous quarters rates at 26%. May I know the reason behind this, sir?

Sudhir Nayak, Senior Vice President, Marketing and Finance

26%?

Analyst

26% this was previous quarters it was 33%, 34%. Hello?

Sudhir Nayak, Senior Vice President, Marketing and Finance

I don't think so, this is not 26%. This quarter was 32%.

Analyst

This quarter was 32%. Okay. Sir one more question regarding EBITDA margin international segment. What will be the rough EBITDA margin international segments?

Sudhir Nayak, Senior Vice President, Marketing and Finance

No, we don't give the figures in that manner.

Analyst

Okay, okay. Sir and also in the recent State Bank conference call they had mentioned that Jyoti Structures was an --, is it true sir? Which is completely false.

Analyst

Completely false, okay okay. Okay sir. Thank you sir.

Operator

[Operator Instructions]. Our next question from the line of Rahul Singh, ICICI. Please go ahead.

Rahul Singh

Good afternoon sir. Just wanted to check on your solar project status and have you got any assured DLF so far? And what is the kind of opportunities you are looking from this project going forward?

Sudhir Nayak, Senior Vice President, Marketing and Finance

Yeah. I think this particular project is moving quite satisfactorily. Contractually we are supposed to finish this by March 2013. And we are on the track.

Rahul Singh

And what is the capacity of planing?

Sudhir Nayak, Senior Vice President, Marketing and Finance

This particular project is a 50 megawatt. Five-zero.

Rahul Singh

50,000 tonnes?

Sudhir Nayak, Senior Vice President, Marketing and Finance

50 megawatts, yes. You are asking about this particular project which we're executing, right?

Rahul Singh

Yeah.

Sudhir Nayak, Senior Vice President, Marketing and Finance

That's 50 megawatt.
And you have any assured owner's --.

Sudhir Nayak, Senior Vice President, Marketing and Finance

Sorry?

Rahul Singh

Assured PLF, power loading factor?

Sudhir Nayak, Senior Vice President, Marketing and Finance

Yeah, there is some directed generation. The directed generation is in terms of the units that will be delivered to the grid.

Rahul Singh

And what is the kind of profit you are seeing from 2013 and there onwards?

Sudhir Nayak, Senior Vice President, Marketing and Finance

Your voice is humming, can you just repeat that last question?

Rahul Singh

What is the kind of revenue opportunity you are looking from this project?

Sudhir Nayak, Senior Vice President, Marketing and Finance

Yeah, I think the main revenue will come during the current financial year and it should be about 500 crores. But, that is with another company, the Orange Jyoti Private Limited. This turnover will be approved to another company, not to Jyoti Structures. We've joint venture company called Orange Jyoti Private Limited.

Rahul Singh

Orange, okay.

Sudhir Nayak, Senior Vice President, Marketing and Finance

And that company is executing the project.

Rahul Singh Operator

Our next question from Bhumika Nair, IDFC Securities. Please go ahead.

Bhumika Nair

Yeah good evening sir. Sir I just wanted to understand in our order backlog mix if I look at vis-à-vis our revenue mix, exports is actually gone up to almost about 40%, I mean vis-à-vis what do did you if you look at revenues, it's just about 18% or 20%. So are we focusing a lot more on the international projects now?

Sudhir Nayak, Senior Vice President, Marketing and Finance

I think one addition there, it was export and deemed export and 31% and not just exports.

Bhumika Nair

Because in the revenue mix you said about 18% was exports and deemed exports.

Sudhir Nayak, Senior Vice President, Marketing and Finance

Sorry revenue, sorry I am looking at the order book.

Bhumika Nair

Yes. So, what I am trying to say is, if you look at the revenue mix it's 18% is deemed exports and actual exports. Where as if I look at the order back log break up it's about almost 40% now. So, we know are we focusing a lot more on the exports or what a change in this mix?

Sudhir Nayak, Senior Vice President, Marketing and Finance

It is actually 31% export deemed export, if you look at the order backlog.

Bhumika Nair

Okay.

Sudhir Nayak, Senior Vice President, Marketing and Finance

And as a combination of export and as well as deemed export.

Bhumika Nair

Okay.

Yes, and we are definitely actively pursuing opportunities in East Africa.

Bhumika Nair

Okay. So, there we doing directly vis-à-vis through Jyoti South Africa?

Sudhir Nayak, Senior Vice President, Marketing and Finance

Not Jyoti South Africa. It is Jyoti Structures.

Bhumika Nair

Jyoti Structures directly, okay. Sir second thing is you just told that we probably do about 3,000 crore kind of a top-line for next year that is what our internal target is. Now if I look at it on the order backlog it's actually at about 4,300 crore for the current year vis-à-vis last year 4,500 crore. So marginal dip in the current order backlog on the Y-o-Y basis. So, one give this comfort that we'll be able to achieve this growth on a little lower order backlog?

Sudhir Nayak, Senior Vice President, Marketing and Finance

It is nearly on the basis of contractual commitment what we have to the clients.

Bhumika Nair

Okay, okay. And sir, I mean this, I mean if you look at it I think you mentioned in the last quarterly conference call that clients like DVC and - were not making payments on the timely manner. And that is why you went a little slow in terms of their execution of their orders. So has that been resolved, have you gotten the payments from - and DVC?

Sudhir Nayak, Senior Vice President, Marketing and Finance

Yeah. The payments are trickling in, that's what I can say.

Bhumika Nair

Okay, okay. So which is then obvious I think to go back on our actual revenues and execution for their orders?

Sudhir Nayak, Senior Vice President, Marketing and Finance

To some extent, yes. It depends on what kind of payments are they releasing to us.

Bhumika Nair

Okay. Sir, what would be the kind of receivable from both of them. Like - and DVC roughly? Won't have those numbers now. But as I can remember it should be in the region of 100 crores or so.

Bhumika Nair

From like which is basically little stuck and we are going a little slow on. That amount would be something like 100 crores?

Sudhir Nayak, Senior Vice President, Marketing and Finance

That's right.

Bhumika Nair

Okay. Sir, the other thing is in terms of the U.S. factory, you've said that we commissioned the facility recently, we've got one order if I understood correct. What is the value of this order?

Sudhir Nayak, Senior Vice President, Marketing and Finance

The portion whatever is being executed in USA. It should be about \$10 million, \$10 million to \$11 million.

Bhumika Nair

Okay. \$10 million to \$11 million, okay. And we are looking at obviously more orders coming through because they are just recently commissioned?

Sudhir Nayak, Senior Vice President, Marketing and Finance

That's right.

Bhumika Nair

Okay, okay. And sir, I mean you mentioned about 20 crore to 25 crore kind of CapEx next year, I mean and you also mentioned that we're earning about 90% to 95% of a utilization level in terms of our own factory. So, are we looking to expand something on our own out here?

Sudhir Nayak, Senior Vice President, Marketing and Finance

No, Bhumika. The expenditure which I mentioned that will be mostly incurred for acquisition of construction equipment.

Bhumika Nair

Okay.
And as such for tower supply, we are not looking for any expansion at such. Because we can only always depend on number of outsourcing agents.

Bhumika Nair

Okay, okay. And what would be the CapEx number for FY12, sir?

Sudhir Nayak, Senior Vice President, Marketing and Finance

It was around 35 crores.

Bhumika Nair

35 crores. That's -from my side. Thank you very much and all the very best, sir.

Sudhir Nayak, Senior Vice President, Marketing and Finance

Thank you very much.

Operator

[Operator Instructions]. And next question from the line of Sabith Salim from HSBC. Please go ahead.

Sabith Salim

Hi. Hello, a very good evening. I join the call a little later. I don't know if this already been covered. I am just going to ask you a couple of questions. First thing is regarding the -- outstanding term SEBs like who are the major SEBs who are having an outstanding and what is the amount of outstanding and what are the recovery expectations for that?

Sudhir Nayak, Senior Vice President, Marketing and Finance

I think we already cover this question, but I would like to say that this is not a forum to give you break-up of the daters, that who are the daters and yes as far as strategy is concerned, I think as I already mentioned, we are trying to move away from this utilities who are not really the pay masters that's strategy number one and strategy number two is, yes actually working on these datas for which have an internal team working very effectively on this. So, I think that's the way, I would like to put it up.

Sabith Salim

Okay. So, you don't give out any particular details about the outstanding?

Sudhir Nayak, Senior Vice President, Marketing and Finance

Not on the con call at least.

Sabith Salim

Okay. We'll contact you later. Okay. Second is regarding the U.S. plant, you've any secured order book for this plan currently?

Sudhir Nayak, Senior Vice President, Marketing and Finance

Yes we are currently in the execution of a project, the value of which is about \$10 million.

Sabith Salim

Okay. And what is the total CapEx incurred for this U.S. plan any?

Sudhir Nayak, Senior Vice President, Marketing and Finance

Its about \$34 million.

Sabith Salim

\$34 million.

Sudhir Nayak, Senior Vice President, Marketing and Finance

To \$35 million yes.

Sabith Salim

That's all from me. Thank you.

Sudhir Nayak, Senior Vice President, Marketing and Finance

Thank you.

Operator

[Operator Instructions]. Our next question from the line of Richa Jain from CRISIL. Please go ahead.

Richa Jain

Sir just a follow up question, wanted to know how much in terms of metric tonnes, what is the kind of order release that Power Grid did last year? And what is the share of Jyoti in that?

Sudhir Nayak, Senior Vice President, Marketing and Finance Richa Jain

7% to 10%, okay. And your current order book also kind of maintains the market share?

Sudhir Nayak, Senior Vice President, Marketing and Finance

I hope so, I am not sure about it. I will add everything and then tell you.

Richa Jain

Okay. Thank you sir.

Operator

[Operator Instructions]. We have a follow up question from Bhumika Nair, IDFC Securities. Please go ahead.

Bhumika Nair

Sir, as you said we had an 18 crore kind of a ForEx loss, am I correct for the full year?

Sudhir Nayak, Senior Vice President, Marketing and Finance

Yes.

Bhumika Nair

And in the current quarter was there any loss?

Sudhir Nayak, Senior Vice President, Marketing and Finance

See Bhumika I've been looking only at annual numbers.

Bhumika Nair

Okay.

Sudhir Nayak, Senior Vice President, Marketing and Finance

Not gone into the quarters.

Bhumika Nair Sudhir Nayak, Senior Vice President, Marketing and Finance

Though it was happening as of now at least Bhumika. I hope that, I believe that it will take another six months for that to happen.

Bhumika Nair

Okay. Great. Thank you very much sir.

Operator

Participants that was the last question. I would now like to hand the conference over to the management of Jyoti Structures for their closing comments.

Sudhir Nayak, Senior Vice President, Marketing and Finance

Yes, thank you very much all of you for your continued support and interest in Jyoti Structures. Thank you very much.

Operator

Thank you sir. On behalf of Prabhudas Lilladher Private Limited that concludes this conference. Thank you for joining us. You may now disconnect your lines.