

Operator

Ladies and gentlemen, good day, and welcome to the IVRCL Q1 FY13 Results Conference Call, hosted by Prabhudas Lilladher Private Limited. As a reminder for the duration of the conference, 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. Please note that this conference is being recorded. I would now like to hand the conference over to Ms. Rupa Shah of Prabhudas Lilladher. Thank you, and over to you, ma'am.

Rupa Shah

Yeah. Thanks Lavina. Welcome everybody to the Q1 FY13 results conference Ccall of IVRCL Group. We have with us by Mr. Sudhir Reddy, the CMD; Mr. Balrami Reddy, ED Finance; and Mr. S. C. Sekaran, ED HDO; and Mr. Ramchandran, Director of Business Development on the call today. We'll start the call by some initial remarks by the CMD, and then proceed to the Q&A. Over to you, sir.

E. Sudhir Reddy, Chairman and Managing Director

Going back this quarter, I should say, lot of issues have coped up more related to the tight funding scenario. What has happened is in the past three or four years when we felt that BOT assets are something which will be the future for this thing, even if you go by about what has been spoken about in the press and through planning commission and so on and so forth. And these delays along with various clearances for execution and this has something which we've been trying to grapple with for last -- for a year or so. And somehow nothing seems to be moving and more and more bureaucratic involvement, I think is yet to be seen from the bureaucratic side, from the clearances side, be it in the road side or be it in the water side or any of those with so much of pressure what they are facing externally. So we also have gone into that, but we thought in the near term we would look into divestment or dilution through our BOTs, but the first preference is the divestment, the whole idea is to become a true full blue EPC construction company rather than focusing more on the BOT side which the model was we picked from the last two years or so.

Once we are successful with that, about three roads which we've been talking, of course the last three months or so, that should hopefully should come through the sale of three roads and that apart the other roads also we have, you know, we have put it on the block, not because of any -- thing but it is only to -- we felt that let's go back to the basics of being a pure play EPC contractor and once that is in place and hopefully the pace of execution will improve, not only from the liquidity side what we can provide to the EPC but some of this cost over which are happening in the projects both in the Hindustan Dorr Oliver and in IVRCL site. We are hoping the government's will wake up to that and somehow commend to the clearances for a case of point could be NHA where for the first time there is ray of hope with fantastic Chairman in place who is trying to balance between the construction companies and the government and the various contractual documents which we all have agreed to.

If something like that is cleared, then lot of us, not only talking from my side, of course I am right now only representing IVR but if you look at be it Nagar, be it LNT, be it any of those things. Even though sitting on a total order book backlog of more than 27,000 crores which accumulates to almost about five times, some our last turnover we're seeing to not to be moving as per the management expectations.

We remained -- but what loss you have seen here I don't know whether it's a forward-looking statement or what the varieties but I think by the year end, we hope to cover that out and we might at least come out not being, some positive might happen, but definitely you will not find many major losses.

And our books are also now order book 95% of the projects in order book are also covered by price issue clause which reduces the cost over run rate to a certain extent. But the approval of cost over run and the result in delays in payment are resulting in actually in a higher working capital requirement leading to obviously higher interest out go.

Of course when there is a interest, when there is a reduction of those things probably some of that can help us in keeping our bottom-line which is under pressure. So we would -- we are looking forward of course to ward off this challenges, domestic environment has to be right too, but we are quite confident, I don't think we are going to get into major problems in the near future.

But I would like to take more calls from you. Balaram and Mishra and Ramchandran can update you with the numbers too. Thank you very much.

Operator

Sir, we'll begin the question-and-answer session?

Rupa Shah

Yeah, Lavina.

Questions And Answers

Operator

Thank you. Participants we'll begin the question-and-answer session. [Operator Instructions]. Our first question from the line of Mr. Vibhor Singhal from Phillip Capital. Please go ahead.

Vibhor Singhal

Good afternoon sir. I had a couple of questions. One is, sir on the interest expense in this quarter that is around 101 crores that we have, now I remember in the last quarter we said that we have had this higher exceptional interest cost because some part of the interest was due to the merger of the IVRCL assets and holdings.

So would you be able to bifurcate out of this 101 crores how much was the interest expense on the pure EPC company and how much is the interest we are still paying on the debt that we have acquired from IVRCL assets?

Corporate Participant

That is around 30 crores will be the -- on investment made on both projects. 70 crores is the regular EPC.

Vibhor Singhal

So 70 crores out of that 100 crores?

Corporate Participant

Yes, yes.

Vibhor Singhal

So this 30 crores is the investment that we have made in the BOT projects?

Corporate Participant

BOT projects. Yes.

Vibhor Singhal

And this is expected to continue over the next few quarters as well, right?

Corporate Participant

That will continue unless what we have already planned to sell some of the assets, with that realization of that sell off asset that will come down.

Right. And sir the EBITDA margins in this quarter were exceptionally low at around 7%. Last quarter when you mentioned that the normalized EPC margins were moving the profit of -- assets was around 9%. So any reason for the sharp decrease in the EPC margins both on Q-on-Q and Y-o-Y basis?

Corporate Participant

No. EBITDA margins if on item number three if you see this quarter is 49 crores and the last quarter is -- last year same quarter is 68.79 crores. So with this 100 crores is the shortfall of the turnover when compared to last year same quarter to this year. 100 crores is, we have a gross margin of around 16.5%. If you add that 16.5 here automatic more or less in the same level it was there. It is only volume gain, it is not anything else.

Vibhor Singhal

So you mean to say its just that the turnover was low that is why your margin were at this level?

Corporate Participant

Yes, yes.

Vibhor Singhal

So sir what is the sustainable level of EBITDA margins that we see either for the next few quarter or for the entire full year?

Corporate Participant

Sustainable level EBITDA margin will be on the basis of the volume. So if our four or five projects that have some problems, if that is sorted out than I can reach to 1,500 to 1,700 ride back. So automatically the percentage of EBITDA will go up, because fixed overheads are same. There is no change of the fixed overheads and interest.

Vibhor Singhal

Right sir. So what would be a number that we -- looking at for the entire?

Corporate Participant

It depends on what is the topline I will get. I am not in a position to give any estimate for the topline at present.

Vibhor Singhal

Okay sir, not a problem. I'll get back into the queue if I have more question. Thank you.

Corporate Participant Operator

Thank you. [Operator Instructions]. Our next question from the line of Mr. Sanjeev Zarbade from Kotak Securities. Please go ahead.

Sanjeev Zarbade

Sir my question is on Hindustan Dorr Oliver, couple of data needed, basically wanted the order intake and backlog for the --?

E. Sudhir Reddy, Chairman and Managing Director

Yeah, during the current year we have bagged order worth about 280 crores.

Sanjeev Zarbade

For the first half you're saying?

E. Sudhir Reddy, Chairman and Managing Director

For the first half.

Sanjeev Zarbade

And for the quarter it would be around, because we had around...

E. Sudhir Reddy, Chairman and Managing Director

For the quarter it is approximately 100 crores.

Sanjeev Zarbade

100 crores okay. And the order backlog?

E. Sudhir Reddy, Chairman and Managing Director

Order backlog as on date is 1,200 crores, 1,199 crores.

Sanjeev Zarbade

1,199 crore. And sir any movement on the Konkana order in Zambia?

E. Sudhir Reddy, Chairman and Managing Director

Zambia nothing has moved.

Sanjeev Zarbade

Okay.

E. Sudhir Reddy, Chairman and Managing Director

In fact in this 1,200 crores now we have not considered that order at all.

Sanjeev Zarbade

Okay. So that order has been knocked off from this order backlog?

E. Sudhir Reddy, Chairman and Managing Director

Yeah, without that we are telling you the backlog. We have not knocked out in the sense we have not canceled the LYA yet. But since considerable time has passed we have not taken that into account.

Sanjeev Zarbade

Okay, so if it..

Corporate Participant

Not only that order. Even in fact even Uranium, Corporation is spending for many months we requested the government to cancel the order because it's not viable now to bid for those projects with all this changing environment. Please, go ahead.

Sanjeev Zarbade

Yeah, sir. In the last concall we had also mentioned order regarding a sale, technically qualified for a tender...

Corporate Participant

That tender is yet to be opened. We are awaiting probably another 10 days, 15 days, I don;t know. It's a pretty complex job, I guess government is very, what you call, sensitive in this prequalifications or rather sales it's a technical job. So I guess they are right when they want to took it various parties and talk of some really top names are getting involved and it's more of technology related. So I guess these kind of projects will normally take time and we are only keeping our figures crossed.

Sanjeev Zarbade

Okay, sir. If I may just ask one or two more questions on HDO.

Corporate Participant

Please.

Sanjeev Zarbade

Sir, regarding this another order was of GNFC which was total order sales of around 9% -- 9 billion, of which we were expected to get around 25% of the order value.

Corporate Participant

GNFC we were not here. I mean we were bidding for GSFC, Gujarat State Fertilizer Corporation.

Sanjeev Zarbade

Okay.

Corporate Participant

So that order I mean of course we got the partial order LY has come for one of the projects.

Sanjeev Zarbade

Okay.

Corporate Participant

So the balance projects, I mean these are under the review.

Sanjeev Zarbade

Okay. And just sir, the last question, anything, any concrete thing that we have thought regarding the SDO

technologies? How we can work out some kind of value from the overall restructuring?

Corporate Participant

Yeah. Factory is doing is well, SDO technology is more on the fact that it have and it got demerged and we are at least, the silver lining part from all that is the turnaround in the factory because of the focus where SDO management has put in. I think in the last two months if I remember the numbers right, I think they did close to about 25 plus 18, almost about Rs. 20 crores that were ready to go this per month of turnover is happening in the factory side.

Our -- to demerge seems to be right as of now, I don't think it's reflection of pan kind of a experience. We hope to build on that. If that thing proves right, then I guess we'll bid in little bit pure aggressively for some of this project especially for what you get in this large BPCL refinery Kochi projects.

If 30% of those things are done in HDO, there is a greater benefit for both the companies both for HDO technologies and -- Marcom if that component exceeds for Indian market it is allowed. But I can't say that till we really do it for a projects in Peru where we just backed the large order or in Canada or few other places.

Sanjeev Zarbade

Okay sir. That is it from my side. All the best.

Operator

Thank you. Our next question is from the line of Mr. Ashish Shah from IDFC Securities. Please go ahead. Mr Shah, please go ahead with your question. The participant is not responding. [Operator Instructions]. Next question from the line of Mr. Vibhor Singhal from Philip Capital. Please go ahead.

Vibhor Singhal

Thank you, sir, again for taking my question. This time I was just looking for the order book number. You mentioned the order book is at around 27,000 crores?

Corporate Participant

Yes.

Vibhor Singhal

So how much would be our captive BOT projects comprised of that?

Corporate Participant

It is around 6,500 crores.

Vibhor Singhal

6,500 crores?

Corporate Participant

Yes.

Vibhor Singhal

And this includes all the latest projects that we had won?

Including all the latest projects.

Vibhor Singhal

Right. And sir, you mentioned that the order book now stands at around five times book-to-sales, if you look at the last four quarters of earnings. So considering that the order book of this magnitude would we be basically refraining ourselves from bidding for new orders either from NHI or some orders or we just want to keep the order book growing not...

Corporate Participant

Yeah. I got you sorry to interrupt you. Yeah. NHI I guess is to point in searching for the pot of gold at the end of rainbow kind, it is government's that are -- it's about time they decide and we're all hoping, the construction companies are hoping to go and meet the bosses in Delhi and then put forth to them. These are the difficulties.

The problem is not just execution side, the problems also will come up in the financial crude side.

Vibhor Singhal

Right.

Corporate Participant

TheRE seems to be opinion of difference between Reserve Bank of India and banks and NHI, it's more of a wording, small tinkering of the wordings. We don't want to be a part of this growth in this, there seems to be we, I think we will excuse ourselves from bidding further till some of these things are resolved but at least in the last quarter I told you we're not going to pay it we have not bid that which we let go off many projects, some of them were wonderful projects, great offers project. But we would like to see that, our finance team is also not very keen to support us to bid for BOTs right now.

So is the case when I say BOT even it could be annuity too. So it's a function of financial closures also as of now and our banker's comfort. So let me sell first at least half a dozen of my roads and bring that money back into the system and working. Then probably the environment improves, interest rates stabilizes at one side and RBI takes a view and planning commission steps in, I think its a larger picture there rather than from the construction contractor.

Vibhor Singhal

Right. So we would continue bidding for the EPC contracts, right?

Corporate Participant

That will be our bread and butter. We'll continue, even today also in my forecast I can tell you there are -- which are coming in, though not very large works, but small works, many of them are coming up in the building side and water side again.

Right. So sir any specific number that you have in mind in terms of the order book because it is already at five times book to sales?

Corporate Participant

No, let us not -- that even though yes you are right. When I have opened my mouth and I said five times book to sale.

Vibhor Singhal

Right.

Corporate Participant

But within that there are this, such slow pace projects for want of clearances, environmental clearance or whatever it is. So

technically we would like to go for yes continue to bid on these kind of projects and take them as it comes and probably not involve ourselves fully. Like as we say 100 crores the job which has to completed day in 18 months.

Vibhor Singhal

Right.

Corporate Participant

As you sub-divide you need x amount of people, x amount of equipment and all that. So probably instead of doing that x amount we have might end up now doing x minus and now instead of spending a whole lot of money on the CapEx or on the people side, we would like to go slow and release people, release equipment as and when the project gets clearances and the need keeps moving up.

Vibhor Singhal

So since you've mentioned it, so would you be able to quantify the number of projects which are -- the magnitude of projects which are slow moving in the order book?

E. Sudhir Reddy, Chairman and Managing Director

Yeah Balaram?

R. Balarami Reddy, Executive Director Finance and Group Chief Financial Officer

The bigger projects -- four or five projects is there. One is, one road projects in Tamil Nadu government has not completed the state support agreement. The bank has not released the further disbursal. One project in Maharashtra, there is -- a grant has to be released around 100 crores and there is some Central government and State government some dispute they have given, State government has given around 11 crores additional grant.

Vibhor Singhal

Okay.

R. Balarami Reddy, Executive Director Finance and Group Chief Financial Officer

Which is not approved by the Central government. Now they are asking us to reduce that 11 crores and increase equity. So all that things we have considered, but the process is taking almost three to four months we are struggling. In that I lost almost 1000 crores. These are the two major projects and that is NATRIP that designs are completely they have not given the approval and I lost around 75 crores to 100 crores turnover in this project. These are the three major projects and fourth project is that Hindustan Copper every quarter we are expecting that environmental clearance.

Vibhor Singhal

Right.

R. Balarami Reddy, Executive Director Finance and Group Chief Financial Officer

Now it has come to a stage the board approval is there, but we have to get the final letter, next quarter might be it will start the working. Like that four, five major projects we lost the considerable turn over?

Vibhor Singhal

So sir what would be the value of all these slow moving orders put together?

R. Balarami Reddy, Executive Director Finance and Group Chief Financial Officer

Together it will be around 2,000 crores.

Vibhor Singhal

2,000 crores.

E. Sudhir Reddy, Chairman and Managing Director

For the large projects.

Vibhor Singhal Corporate Participant

Debt is around -- consol level is not there, it is only standalone, around 2,600 crores.

Vibhor Singhal

2,600 crores. And sir how much of it was the debt that we took over from the IRRAH company?

Corporate Participant

Only 75 plus 16, 91 crores we have taken from that.

Vibhor Singhal

Sir but you mentioned, when I asked you about the interest expense break up that out of 100 crores, 30 crores interest was due on the IVR assets?

Corporate Participant

Whatever we have funded to -- holdings, so by IVRCL on that we used to charge the interest. Now because of NATRiP that company, that will not be there. Everything is divided into EPC company.

Operator

Thank you. Mr Singhal, may we request you to come back in the queue for further questions. Thank you. Our next question is from the line of Mr Ashish Shah from IDFC Securities. Please go ahead.

Ashish Shah

Yeah. Good afternoon sir.

Corporate Participant

Good afternoon.

Ashish Shah

Sir could you help me with the order flow for this quarter and order backlog with L1 or excluding L1 if you can?

Corporate Participant Ashish Shah

1,300 is the L1.

Corporate Participant

1,300.

Ashish Shah

Okay. And sir, order book breakup if you can sir.

Corporate Participant

Breakup this is water is around 9,300.

Ashish Shah

Yeah.

Corporate Participant

And transportation book and regular will be around 9,000, building fees 5,000.

Ashish Shah

Yeah.

Corporate Participant

Power is around 1,000, mining is around 1,300. So, international is around 800, the total coming to around 46,355.

Ashish Shah

Okay. Sir also out of your working capital how much could be the loans and advances to subsidiaries and how much of that would be interest bearing?

Corporate Participant

Interest bearing in not there now, subsidiaries because -- that is while -- for that around 90 crores we have given, that's interest bearing.
Okay.

Corporate Participant

All others are not interest bearing.

Ashish Shah

Sir, if I may ask has there's been recent change where we are not charging interest or it's always been there?

Corporate Participant

When we have made the e-merger earlier we have given these loans through intermediately that is IVRCL Assets and Holdings.

Ashish Shah

Right.

Corporate Participant

So IVRCL Assets and Holdings we used to charge the interest because we have funded for that.

Ashish Shah

Correct.

Corporate Participant

Now as per the SPVs banker is not allowed to charge for any loans.

Ashish Shah

Okay.

Corporate Participant

So if it is -- now it is directly under these activities are directly under IVRCL. I'm not allowed to charge the interest but once I pay the loans of bank, at that time I can collect along with interest from the SPVs.

Ashish Shah

Okay.
That's why it is not coming into the account. We are taking that hit and where, which will give the result either by sales of the asset or by clearing the loans and getting the return for the flow and all that.

Ashish Shah

Okay, okay. Sir, what is the total loans and advances for subsidiaries?

Corporate Participant

2,600 is the standalone loan.

Ashish Shah

Sorry, I didn't get the number sir?

Corporate Participant

2,600 standalone IVRCL loans is there.

Ashish Shah

Right.

Corporate Participant

You are talking about loans to subsidiaries?

Ashish Shah

Yeah, of which loans to subsidiaries would be?

Corporate Participant

It's around 650 crores.

Ashish Shah

Okay.

Corporate Participant

So that 650 crore is around 90 crores we are charging the interest that is all corporate. Right.

Corporate Participant

Other things to this crore projects and the Chennai water distillation what we have funded for the shortfall there, initial shortfalls that we are not in a position to charge the interest.

Ashish Shah

Right. Sir, also can you tell me if there has been any increase in the borrowing cost during the quarter?

Corporate Participant

During the quarter there is no increase in the borrowing cost. Same percentage of previous quarter it is continued.

Ashish Shah

Right. And sir, lastly what is the status of financial closure of some of the newer projects that we have in our portfolio?

Corporate Participant

Financial disclosure in one projects we have almost reach one bank around 75 crores. They have agreed in their Board and finally they thought that RBI is putting the scope that RBI is giving these instruction that it is unsecured. Then we told that for everyone it is unsecured only, so they are reconsidering that 75 crores. So with that it will be closed one project. Other projects is process has just started.

Ashish Shah

Okay. But have we sort of over short the deadline to close the project or we are still within the...

Corporate Participant

Exactly, it was already over shorted. Correspondingly there is no land clearances from the government also. Anchor is taking that, that is one of the important point if as per the document 80% of the land should be available before starting the work. So that availability is not there that also is one of the concern for the financial closure for the bank.

Ashish Shah

Okay. So sir, all of these projects we are talking about would be part of our order backlog and to that extent the execution might really not commence.

Corporate Participant

Yes, you are 100% correct that this four road projects it is around 5,000 crores is yet to start.

Ashish Shah

Okay.

Corporate Participant

Maybe this quarter also it may not start, third quarter to fourth quarter that is third quarter of this financial year, so it may start moving in this project.

Ashish Shah

Okay. All right, sir. Thank you very much sir.

Corporate Participant

Thank you.

Operator

Our next question from the line of Abhinav Bhandari from Elara Capital. Please go ahead.

Abhinav Bhandari

Yeah hi, sir just wanted to check on the CapEx of the year and the investment number on the standalone balance sheet?

R. Balarami Reddy, Executive Director Finance and Group Chief Financial Officer

Yeah CapEx is just around 10 crores in this quarter and we are expecting another 40 crores to 45 crores in the next two quarters, around 50 crores to 55 crores in the full year, full year means nine months.

Abhinav Bhandari

And on the investment side, how much would be the number now?

R. Balarami Reddy, Executive Director Finance and Group Chief Financial Officer

Investment is, 1,500 is the investment in all BOOT projects as on date.

Abhinav Bhandari

And additional what you will...

R. Balarami Reddy, Executive Director Finance and Group Chief Financial Officer

Additional in this quarter I may have to invest around 170 crores.

Abhinav Bhandari

Okay. And in this remaining next two quarters, this quarter you said 170, Q4 would be?

R. Balarami Reddy, Executive Director Finance and Group Chief Financial Officer

No, no, not this quarter, this financial year.

Abhinav Bhandari

Okay. And FY14 what commitment you are looking at sir?

R. Balarami Reddy, Executive Director Finance and Group Chief Financial Officer

FY14 will be around 350 crores.

Abhinav Bhandari

Right. That's is from my side sir. Thanks.

E. Sudhir Reddy, Chairman and Managing Director

Okay, thanks.

Operator

Our next question from the line of Madan Gopal from Sundaram Mutual Fund. Please go ahead.

Madan Gopal

Good afternoon sir.

E. Sudhir Reddy, Chairman and Managing Director

Good afternoon.

Sir, first on IVRCL, what's the status of selling those projects, you have highlighted those last year, the Tamil Nadu projects and -- last quarter sorry, and any update that you can give where it is, because you were close to announcing at the last quarter and not yet we have heard anything of that. So can you give an update on that?

Corporate Participant

These three projects, Salem & Kumarapalyam, Chengapalli and Chengapalli Walayar, are in very advanced stages and we hope to sign the definitive agreement by the end of this month. There could be -- may be a slip of 10 days, but we have almost reached our agreement in every aspect. Just a few points are left. And I think the definite agreement we will sign by the end of this month.

Madan Gopal

Okay. Second on the, just to carry forward the question asked by Ashish previously. Since these projects which are stuck or still in the order book of the growth in -- the sales levels would be similar to the current quarter levels going forward also or there is possibility of some improvement on that quarter-on-quarter basis?

Corporate Participant

Order book booking you are talking about, that is...

Madan Gopal

No, no topline.

Corporate Participant

Quarter also around 1,000 crores we have booked orders on all EBC projects. If you are talking about execution...

Madan Gopal

Yeah.

Corporate Participant

Then we are still facing problems in the major roads. Roads actually forms a substantial part of our execution projection. So if we look at Chandrapur there is a grant issue, then if we look at Changapalli today, the state support and now banks are looking at every small bit of an excuse to hold back the payment. So they are saying the state support we have not yet signed, though all of us are working in Southern region, but Tamil Nadu government has not signed with the Ministry and now they are holding back our payments for that.

Then we looked at Indore Jhabua there is a lot of environment clearance and forest clearance and bird sanctuary clearance. So the last meeting the Chairman raised his hand and said no we are not in a position to do that. So they are looking at ways and means of getting some sort of deviation from that, taking them out of the scope and letting us complete balance and gearing for tolling, that is also to an extent is acceptable because at least we will charged the Similarly NATRiP is another issue where they have been wrong right from day one. They give a project and at the time of giving they had a Spanish Consultant, but after a issue of order they chucked him out and they brought in Rice. So the end -- this company doesn't know what is the test track and that fault has continuously been going, they are not even bothered to check the site conditions. So an order which was originally given at about 450 crores it is expected to -- if its to be done as per the specification which is close to about 800 crores to 900 crores. So around 900 crores they don't have the...wherewithal to get such an approval from the Ministry. So we are in a Catch 22 situation where we have our people and equipments but the clearance is not there from them for us to do the work.

Madan Gopal

So these projects put together you would have loss something like 300 crores kind of execution?

Corporate Participant

Around 300 crores to 350 crores in the four, five projects that were in this quarter.

Corporate Participant

In this quarter itself.

Madan Gopal

Yeah. So but this is not likely to come in next quarter also probably we have to wait for another one or two quarters before we can look at the additional.

Corporate Participant

We will have to wait and we will have to try and make up whatever is possible in these new projects that we have received. We cannot just sit tight like that. We were trying to see if we can enhance our interesting operation gather new projects that we

have received.

Madan Gopal

My second question on Hindustan Dorr Oliver, first to get some basic numbers like what are the order book and order flow in the first half?

Corporate Participant

Order book as on date is around 12,00 crores, and the inflow is 286 crores for the six months.

Madan Gopal

Okay. Sir, last time when we spoke, there were lot of money got stuck in fewer projects like HPCL Mittal and even with Lanjigarh project, any update on that? Have we got some money back or it's still stuck?

E. Sudhir Reddy, Chairman and Managing Director

Still we are stuck, we are pursuing that.

Madan Gopal

Okay. Sir, you have given the -- in your number you have -- there was an exceptional item of 34 crore, can -- which project it is sir?

R. Balarami Reddy, Executive Director Finance and Group Chief Financial Officer

Yeah. You can refer to note number five, except some of the...

Madan Gopal

Yeah.

R. Balarami Reddy, Executive Director Finance and Group Chief Financial Officer

As early it is SLB is done, it's UCL.

Madan Gopal

It's a UCL project.

R. Balarami Reddy, Executive Director Finance and Group Chief Financial Officer

Yeah. UCL and SMEL projects.

Madan Gopal

And...

R. Balarami Reddy, Executive Director Finance and Group Chief Financial Officer

And what -- see these are all now we have completed the project in our respect. And some additional works ahev come which, for which we have incurred this cost and we are trying for some claim but it may take some time unless the claim is certain we are not suppose to take it in the book. So as and when it comes, we will account for you.

Okay. So, it is similar to the reasons that force us from a cost over and some HPCL Mittal project and other projects also?

Corporate Participant

Yeah.

E. Sudhir Reddy, Chairman and Managing Director

Yeah.

Madan Gopal

Sir, you have given 82 crores of sales in this only for the manufacturing plant, right or this is only for the projects?

E. Sudhir Reddy, Chairman and Managing Director

It is only for the projects.

Madan Gopal

And what will be the manufacturing?

E. Sudhir Reddy, Chairman and Managing Director

Manufacturing turnover of around 27 crores, and that too what has happened the first two months in the quarter turnover was low but after that we have picked up and average, we are able to achieve 18 crores, 20 crores, 25 crores now per month. So, going forward we should have depend on our, in the manufacturing side.

Madan Gopal

Okay. And in manufacturing side if you can give us what is the EBITDA and PAT number if possible?

E. Sudhir Reddy, Chairman and Managing Director

EBITDA number I mean we have around 10%.

Madan Gopal

Okay.

E. Sudhir Reddy, Chairman and Managing Director Madan Gopal

We got it.

E. Sudhir Reddy, Chairman and Managing Director

But once we achieved certain turnover, this will improve. And we are likely compare to the original which is where we used to have 16%, 17% EBITDA.

Madan Gopal

Sir, can you give the breakup of total debt of H-STAR what we have given it to the manufacturing and what has been split to the

projects business?

E. Sudhir Reddy, Chairman and Managing Director

Sorry.

Madan Gopal

For H-STAR after splitting demerging the manufacturing unit, first I wanted to know what is the total debt now for H-STAR and then how much of that has gone into demerger...

Corporate Participant

Yeah. I mean the total debt is around 360 crores now.

Madan Gopal

Okay.

Corporate Participant

And out of this, 100 crores will be demerger, 262...

Madan Gopal

264?

Corporate Participant

262 is the EPC and 100 crore is the total manufacturing.
Okay sir. Thanks for taking my questions, sir.

Operator

Thank you. Our next question from the line of Tina Virmani from Kotak Securities. Please go ahead.

Tina Virmani

My questions have already been answered sir. But just one small query. In the last concall, you had mentioned that Baramati-Phaltan project had witnessed some land acquisition related issue. So these issues are still there in this project?

Corporate Participant

Yeah. It is still there in Section 3.

Tina Virmani

Okay.

Corporate Participant

So Section 1 and 2, we are going ahead.

Tina Virmani

Okay.

Corporate Participant

And hopefully by March or so, we should be able to complete it and take our claim for tolling in Section 1 and 2, but Section 3 there is still problem, and we are trying to resolve it, but its still there. One of the option is to have the road itself reduced, because still inspite of being there for two years actually Government of Maharashtra is not able to resolve, because farmers over there and the politics there is very very sensitive.

Tina Virmani

Okay.

Corporate Participant

So that's our point.

Okay. And for the Tamil Nadu projects you are saying that you are likely to finalize it in another 10 days to 15 days?

Corporate Participant

Definitive agreement.

Tina Virmani

Okay, okay. And what about the CCDs, you were also planning to raised some amount of CCDs for meeting the further requirements. So is it required in the near term or it's not required in the near term?

Corporate Participant

It is not required and we have one more option also though we are getting some investors to take that 49% stake, which is allowed as per MHI.

Tina Virmani

Okay.

Corporate Participant

So if that 49% stake if I sell I need not go for the CCD.

Tina Virmani

Okay. So that would be for you Raipur-Bilaspur project?

Tina Virmani

No all the projects it is we are looking for and now we are discussing it.

Corporate Participant

Her question is for Chengapalli CCD that we already have?

Corporate Participant

No. Not for that.

Tina Virmani Corporate Participant

Current quarter revenue break up. Buildings is around 250 crores, Water & Environment is 375 crores, Transport is 230 crores.

Tina Virmani

Okay.

Corporate Participant

Power is 80.

Tina Virmani

80?

Corporate Participant

Yes. Balance is others.

Tina Virmani

Okay, fine sir. Thanks a lot.

Operator

Thank you. Our next question from the line of Chirag Shah from ICICI Direct. Please go ahead.

Operator

Mr. Sudhir Reddy's line has been disconnected. We will connect him again. In the mean time sir, can we take the next question?
Hello?

Corporate Participant

Yeah.

Rupa Shah

Yeah, Lavina you can take.
Alright, sure. Mr. Chirag Shah you may go ahead with your question.

Chirag Shah

Hi sir. My question pertains to HDO. Sir just wanted the segmental breakup of the order backlog and the revenues at this point of time?

Corporate Participant

Yeah. 35%, about 350 crores is the order on the minerals and metals.

Chirag Shah

Okay.

Corporate Participant

20% is on water, about 211 crores and special projects we have about 126 crores is about 12% and the nuclear power is about 225 crores which is about 22% and the manufacturing order is about 147 crores. So it is about 13%.

Chirag Shah

And sir any figure you would like to put on the yearly performance for the EPC business at this point of time given the first quarter run rate is too less given as compared to the previous year's performance.

Corporate Participant

Yeah.

Chirag Shah

Even though we have demerged the manufacturing activity.

Corporate Participant

Yeah.

Chirag Shah

Sir would you like to put up any guidance for the particular FY13 for the EPS business as such?

Corporate Participant Chirag Shah

Okay. And sir what would be the debtors position at this point of time?

Corporate Participant

Debtors position.

Corporate Participant

The debtors is around, including hold back it is around 325 crores.

Chirag Shah

325 crores. So sir if I am not mistaken, the last quarter, as in the quarter five the figure stood at somewhere around 230 crores to 240 crores odd?

Corporate Participant

No that is the receivable.

Corporate Participant

Only receivables.

Corporate Participant

Yeah Yeah.

Chirag Shah

Okay.

Corporate Participant

Yeah. Once you include the retention money, it is going to be 325, around 320.

Chirag Shah

Okay. Thanks a lot sir that's it from my side.

Thank you sir. Participants due to time constraints we'll take our last two questions. We'll take the next question from the line of Mr. Naveen Jain from JM Financial. Please go ahead.

Naveen Jain

Yeah, good afternoon sir.

Corporate Participant

Good afternoon.

Naveen Jain

Sir just wanted to get some update on your new road BOT projects, if you could just run us through each of these projects like, Raipur-Bilaspur or Rajahmundry project or Patiyala -- and there was one project in Haryana. What is the exact status in each of these projects in terms of signing the concession agreement or achieving financial closure?

Corporate Participant

Rajahmundry and that Haryana project we have signed the concession agreement and this financial closure process is on.

Naveen Jain

Okay.

Corporate Participant

It may take another maximum two months to complete the financial closure. Raipur-Bilaspur we have already in a final stage, may be a couple of weeks we can close the financial closure. The fourth one is still not yet signed.

Corporate Participant

Rai Malikpur.

Corporate Participant

Rai Malikpur, that is in the Haryana project.

Corporate Participant

But Rajahmundry we have been writing to national highways that there is hardly land accepting the existing write off way, they have not made any progress in terms of land acquisition. And it is very well known that today banks are not even willing to disburse the payment of financially closed projects. If the land acquisition is not made in full, so 80% is

Naveen Jain

Okay. And how about the other NHI project, Patiala --?

Corporate Participant

It's going on. The financial closure is happening, we have some land, they have also given the plans, that's also a state highway so the strictness is relatively less. Same is the case with Raipur, Raipur we are in the final stages.

Naveen Jain

Okay. And Haryana project there is no visibility of signing this concession agreement yet?

Corporate Participant

Haryan, they themselves took so much of the time that we wrote back saying that between the time we got the LOI and they had come up with an other issue about some Stamp Duty payment and for them to finally say that it's not payable it took them about seven months. In the meanwhile there has been a lot of changes including increase in price of diesel et cetera. So we have put in a letter saying that we are willing to sign it, but kindly consider that the scenarios, the scenes have totally changed since then. So we are just waiting for their response before we sign the concession.

Naveen Jain

Okay. And sir in between we had also announced one annuity project in Arunachal Pradesh. So any update on that?

Corporate Participant

That is with our partner.

Naveen Jain

Right.

Corporate Participant

Hi-Tech, and that financial closure is through, financing documents have been signed and mobilization in the site has taken place in the full and they are now just about to receive the mobilization bank guarantee advance et cetera. So the work is commenced there.

Naveen Jain Corporate Participant

We have right to execute 25% of the EPC value which is close to about 300 crores. So have yet to take a decision on that.

Corporate Participant

We have not taken any order in our order backlog as on date, we have not, so far we have not.

Naveen Jain

Okay. So this is --?

Corporate Participant

But we can exercise the right.

Naveen Jain

How would the tankage project that we were doing along with IOC or for IOC?

Corporate Participant

As far as the tankage project is concerned, substantial completion has been made, from our side almost 95% of the work has been completed and 's all the civil work that is our scope of EPC and whatever little is again a function of co-ordination between our mechanical partner that is IOTL and IOC. So we are hoping that sometime in January also there should be able to -- the project should be completed in full for the SPV to charge the annuity for the crude oil portion, because its in two parts, the crude and the product. The product got delayed for various reasons, that's to do with change of specification, change, something technological changes as well. So the crude part of it is what they also want right away, they are not so much interested in the product. So the crude is expected to get completed and the annuity should flow for that.

Operator

Thank you sir. Mr. Jain we request you to come back in the queue for any follow up questions. Participants due to time constrains we request you to limit your questions to two per participants. We'll take our last three questions. Next question from the line of Mr. Parvez Akhtar from Edelweiss. Please go ahead.

Parvez Akhtar Qazi

Just one question from my side. In the revenue breakup that you gave for the quarter, I missed the figure for the road division. Would it be possible to give that?

E. Sudhir Reddy, Chairman and Managing Director

Pardon?

Parvez Akhtar Qazi

Sir, in the revenue breakup for the quarter.

E. Sudhir Reddy, Chairman and Managing Director

It's 230 crores.

Parvez Akhtar Qazi

230 crores. Okay sir. Sure. That's it. Thank you from my side.

Operator

Thank you. Our next question from the line of Mr. Ashish Shah from IDFC Securities. Please go ahead.

Ashish Shah

Sir, just a small thing. We used to have some other operating income and this quarter there is none. So is this some accounting change which has happened or just that this quarter it is not there?

E. Sudhir Reddy, Chairman and Managing Director

No, no nothing like that. See operating, other operating income from our tender it used to be scrap sales and -- and this quarter we have not done any scrap sales.

Parvez Akhtar Qazi

Okay.

E. Sudhir Reddy, Chairman and Managing Director

So may be next quarter or so you will find that.

Ashish Shah

Okay, sir. Thank you.

Operator

Thank you. Our next question from the line of Jitesh Bhanot from Emkay Global. Please go ahead.

Good afternoon sir. Thanks for taking my question. Sir, what we wanted to understand your interest expenditures this quarter is in excess of Rs. 1 billion. Can we get what will be the sustainable level for this particular line item going forward?

Corporate Participant

Going forward we see same levels, once we get the realization of this road project. To that extent it will come down. So we are hoping around 400 plus by sale of this assets immediately in advanced sales. So straight away that 400 crores will be reduced from 2,000 crores debt. To that extent, our 400 crores in per quarter it will be around 12 crores to 13 crores which come down straightaway.

Jitesh Bhanot

And sir if it, will it be possible for you, can we get what are the bank and commission charges this particular quarter and the interest quantum for that particular line item or...

R. Balarami Reddy, Executive Director Finance and Group Chief Financial Officer

That -- out of that 101, how much is the commission?

Jitesh Bhanot

Yeah.

R. Balarami Reddy, Executive Director Finance and Group Chief Financial Officer

Commission is around 13 crores is the commission, interest is 88 crores.

Jitesh Bhanot

Okay. And sir, last question would be with regards to your working capital. Can you help us out with how are you managed in terms of your working capital because in your notes as well there is one particular note which highlights about receivable deferment. If you can help us with that number?

R. Balarami Reddy, Executive Director Finance and Group Chief Financial Officer

Receivables, when compared to June quarter, it has come down around 130 crores, so June quarter is 1,456 and current 1,348. Okay.

R. Balarami Reddy, Executive Director Finance and Group Chief Financial Officer

So to that extent the unbilled revenue, billing is some delay is taking place and some milestones we are not able to achieve. So to that extent it was increasing there. So more or less the same working capital is continued.

Jitesh Bhanot

Okay. Thanks a lot for taking my question. That will be it from my side.

R. Balarami Reddy, Executive Director Finance and Group Chief Financial Officer

Thank you.

Operator

Thank you. Our next question from the line of Sagar Parikh from Enam Holdings. Please go ahead.

Sagar Parikh

Thanks for taking my question sir. Sir, with regards to your three projects which is -- which are up-for-sale, could give us, I mean I wanted to know the total cost of the projects and the equity that you have invested in these three projects?

Corporate Participant

Yeah. I don't think we can do it right away in terms of savvy and in terms of breakups.

Corporate Participant

We were not in a position to give further details until we sign the definitive documents.

Sagar Parikh

Okay, sir. No problem. That's it.

Operator

Thank you. Participants that was the last question. I would now like to hand the conference over to Ms. Rupa Shah for closing comments.

Yeah. Thanks Lavina. I would like to thank the management and the participants for attending this call. Thank you. Have a good day.

Operator

Thank you.

Corporate Participant

Thank you Rupa. Thanks everybody.

E. Sudhir Reddy, Chairman and Managing Director

Yeah. Thanks sir. Happy Diwali.

Rupa Shah

Yeah, same to you, sir.

Operator

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