CIL/SE/2024-25/22
June 01, 2024

BSE Limited
P.J. Towers
Dalal Street
Mumbai- 400 001

Scrip code: 540710

National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (E)
Mumbai - 400 051

Symbol: CAPACITE

Sub: Transcript of Earnings Call

Ref: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/ Madam,

In continuation to our letter dated May 24, 2024 and May 29, 2024, we hereby enclose transcript of the earnings call held on May 29, 2024 to discuss operational and financial performance of the Company for the fourth quarter and year ended March 31, 2024.

Please take same on record.

This disclosure will also be hosted on Company's website viz. www.capacite.in.

For any correspondence/ queries/ clarifications, please write to cs@capacite.in.

Thanking you

Yours faithfully,
For Capacit'e Infraprojects Limited

Rahul Kapur
Digitally signed by Rahul Kapur
Date: 2024.06.01 11:00:06 +05'30'

Rahul Kapur
Company Secretary and Compliance Officer

Encl: a/a

Mumbai (Head office):
605-607, Shrikant Chambers, Phase - 1, 6th Floor, Adjacent to R.K. Studios, Sion - Trombay Road, Chembur, Mumbai - 400 071. Maharashtra, India. Tel.: 022 7173 3717 • Fax : 022 7173 3733 • E-mail : info@capacite.in

“Capacit'e Infraprojects Limited
Q4 & FY '24 Earnings Conference Call”
May 29, 2024

Disclaimer: E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the Company’s website will prevail

MANAGEMENT: **MR. ROHIT KATYAL – EXECUTIVE DIRECTOR – CAPACIT'E INFRAPROJECTS LIMITED**
MR. RAJESH DAS – CHIEF FINANCIAL OFFICER – CAPACIT'E INFRAPROJECTS LIMITED
MR. ALOK MEHROTRA – EXECUTIVE DIRECTOR – FINANCE – CAPACIT'E INFRAPROJECTS LIMITED
MR. NISHITH PUJARY – PRESIDENT ACCOUNTS – CAPACIT'E INFRAPROJECTS LIMITED
MARATHON CAPITAL ADVISORS – INVESTOR RELATIONS – CAPACIT'E INFRAPROJECTS LIMITED

MODERATOR: **MR. ANUPAM GUPTA – IIFL SECURITIES LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to Capacit'e Infra Q4 and FY '24 Earnings Conference Call hosted by IIFL Securities Limited. As a reminder, all participants' lines will be in listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star, then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Anupam Gupta from IIFL Securities Limited. Thank you and over to you, sir.

Anupam Gupta: Yes. Thanks, Sajal. And it's my pleasure to have Mr. Rohit Katyal, Executive Director with Capacit'e Infra to discuss the fourth quarter and FY '24 results for Capacit'e Infra. To start off, I'll hand over to Mr. Katyal for the opening remarks and post which we can have a Q&A. Over to you, sir.

Rohit Katyal: Thanks, Anupam. Good morning, everyone. On behalf of Capacit'e, I welcome everyone to the Q4 and FY '24 Earnings Conference Call of the company. Joining me on this call is Mr. Rajesh Das, our CFO; Mr. Alok Mehrotra and Mr. Nishith Pujary, along with Marathon Capital, our IR team.

I hope everyone has had an opportunity to look at our results. The presentation and press release have been uploaded on the stock exchanges and our company's website. As we conclude FY '24, we are pleased to report a period marked by significant achievements, including the highest ever revenue and profitability both during Q4 FY '24 and the whole year. The higher execution has helped us in better absorption of fixed costs, thereby leading to improved profitability. The capital raised during the year has been strategically deployed to strengthen the execution across projects.

Over the past few years, while our order book size has expanded significantly, our projects under execution have reduced, leading to higher revenue contribution per project, better management and improved margin profile. We are embarking towards a higher growth phase backed by our diverse order book from distinguished clients in both public and private sector. The execution across projects has seen a marked improvement and we believe that the pace should further improve. We remain committed towards improving our working capital cycle and profitability. With strong financials, along with our execution progress, we are confident of setting up new performance benchmarks in the years to come, starting '24-'25.

Other key updates. The company achieved highest ever quarterly and annual turnover and profit after tax. We firmly believe that the momentum should continue. Successfully raised INR200 crores by qualified institutional placement in Q4 FY '24. The raised capital is being strategically deployed to fuel our future growth and fortify our operational capabilities, allowing us to deliver exceptional value to our clients and stakeholders.

Projects awarded during FY '24 stood at INR2,009 crores, excluding GST.

Consolidated performance highlights for Q4 FY '24. Revenue from operations for Q4 FY '24 stood at INR599 crores, up 34% as compared to INR447 crores in Q4 FY '23. EBITDA for Q4 FY '24 stood at INR121 crores, up 41% as compared to INR86 crores in Q4 FY '23. EBITDA margin for Q4 FY '24 stood at 19.8% compared to 19.1% in Q4 FY '23. EBIT for Q4 FY '24 stood at INR99 crores, up 69% as compared to INR58 crores in Q4 FY '23.

EBIT margin for the same period at 16.2% as compared to 13% in Q4 FY '23. PBT for Q4 FY '24 stood at INR73 crores, up by 97% as compared to INR37 crores in Q4 FY '23. PBT margin for Q4 FY '24 stood at 12% as compared to 8.3% in Q4 FY '23. PAT for Q4 FY '24 stood at INR54 crores -- INR52 crores, up by 139% as compared to INR22 crores in Q4 FY '23. The PAT margin for Q4 FY '24 stood at 8.5% as compared to 4.8% in Q4 FY '23.

Consolidated performance highlights for FY '24. Revenues from operations for FY '24 stood at INR1,932 crores as compared to INR1,799 crores in FY '23. EBITDA for the year stood at INR363 crores as compared to INR361 crores in FY '23. EBITDA margin for FY '24 stood at 18.5% as compared to 20% in FY '23.

EBIT for FY '24 stood at INR262 crores as compared to INR225 crores in FY '23. The EBIT margin for FY '24 stood at 13% as compared to 12.4% for full year financial year '23. PBT for FY '24 stood at INR167 crores as compared to INR136 crores in FY '23. PBT margin for the financial year '24 stood at 8.5% as compared to 7.5% in FY '23.

PAT for FY '24 stood at INR120 crores, up by 26% compared to INR95 crores in FY '23. PAT margin for FY '24 stood at 6.1% as compared to 5.3% in FY '23. Gross debt stood at INR326 crores as compared to INR370 crores Net debt for the year stood at INR69 crores with net debt to equity at 0.05x. Order book on stand-alone basis stood at INR9,011 crores as on 31st March '24. Public sector accounts for 69% while private sector accounts for 31% of the total order book.

Now the floor is open for questions, please.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Ranodeep Sen from MAS Capital.

Ranodeep Sen: Congratulations on a great set of numbers. My first question, sir, can you give me a flavor of the orders wins expected in FY '25? And will the ratio of public to private change materially in FY '25?

Rohit Katyal: You see that the opportunity is very strong, both in public and private sector; however, private sector given our experiences, we will be sticking to those quality of clients, which we are currently working with. So more or less, the order bifurcation between public sector and private sector would remain 70-30. That's point number one. Point number two, the big pipeline across the geographies where we are operating is extremely strong. So it is an opportunity to pick and choose. I firmly believe that all better placed contractors, including Capacit'e has an opportunity to improve upon the margins going forward in the future order wins. So that is our take as far as the mix is concerned.

Ranodeep Sen: My next question. Mumbai has emerged as the data center capital of India. Any order wins for business development in that aspect? And more so, if you can share what's the playbook in that domain, given Mumbai has the concentration of data center?

Rohit Katyal: So the company is already executing 13 data centers for defense across cities. That project is scheduled to get completed by August, September in the current financial year, which will give us serious qualifications. Having said that, the company has bid for a INR700 crores data center and we expect the opening soon after elections. And hopefully, it was a tender on which three parties, including L&T & Capacit'e were qualified.

So let us wait for that outcome. But yes, we do see a big opportunity there. We have tied up technical collaboration for the main components already. And we do believe that this technical tie-up will give us a serious opportunity in the current year and the years to come in the Tier 3 and Tier 4 data center business.

Ranodeep Sen: If I can squeeze in one last question. You did share in the last call guidance for 25% growth in FY '25. Is it safe to assume, given the traction that we have seen over the last 1 quarter, we see a 25% growth trajectory for the next 3 years?

Rohit Katyal: That is our commitment to the clients, minimum commitment. So we have to grow at that level to -- so given what we have done in quarter 4, INR600 crores, INR2,400 crores is given for the current financial year. Even if we believe that we may lose some momentum during monsoon and then, again, gain serious traction in quarter 3 and quarter 4. But as things stand today, 25% minimum growth guidance is here for sure.

Ranodeep Sen: Appreciate that, sir. And did see your presentation on the list of clients that you've built over these last 3 to 4 years. Wishing you all the best for the next financial year.

Rohit Katyal: Appreciate it. Thank you very much.

Moderator: The next question is from the line of Vikash Agarwal from Eustoma Investment Advisors.

Vikash Agarwal: Congratulations on a good set of numbers.

Moderator: Sorry to interrupt you, sir. May I request you to please use your handset.

Vikash Agarwal: Okay. Let me come back in the queue again.

Moderator: The next question is from the line of Anupam Gupta from IIFL Securities.

Anupam Gupta: Sir, the question is, firstly, on the balance sheet side of it. So if you look at the working capital, seems to have expanded at least when you do a Y-o-Y comparison. I understand there is a quarterly element to it. But if you can maybe give a picture of how you see the working capital changing over the next whole year or so?

Rohit Katyal: You see that the revenue expansion has led to an increase in debtor, which is our normal cycle. The collection for the quarter will get reflected on a quarter-to-quarter basis. And we do believe that there is a strong case for a reduction in the net working capital by nearly 20 days in the current financial year.

Anupam Gupta: So when you say 20 days, in the sense, if I take the average revenue -- so if I take the full year revenue and use it as a base, I see a very high working capital cycle. But on a normalized basis, what is the number you're looking at, if you can maybe give a sort of a quantum for that?

Rohit Katyal: You see that the total working capital basically expansion is on basis of 2 points. Number one, the increase in debtor period. Debtors in quarter 4, which has increased by about INR150 crores as quarter 3 '24, all right? This is a onetime phenomenon. The revenue is going to grow at INR600 crores to INR700 crores approximately per quarter. And therefore, these numbers will only come down on an enhanced revenue base. So what I'm trying to say is that the net working capital historically of the company has been 97, 96 days earlier and we intend to come back to that level in the next 4 to 5 quarters.

Anupam Gupta: Okay. Understood. And the second question is, if you can give an update on both the CIDCO project as well as the MHADA project in terms of what is under execution? What will incrementally come under execution over the next year?

Rohit Katyal: So MHADA project, the order book considered as on 31st March, our share in the project is INR4,500 crores plus escalation, which works out to maybe INR5,500 crores or so. At the moment, the order book recognized is close to INR1,500 crores. And the order -- and the work is in full momentum, 14 buildings have been handed over to us. Plus in the current quarter, close to 4 -- 5 commercial towers have been handed over to us -- sorry, residential towers. Now these residential towers are 80 storeys each. And therefore, the work will start on these from quarter 2. So we do see a serious expansion in revenue from MHADA project.

As it is the last financial year, MHADA, we have done close to INR250 crores in revenue, with a chunk of that about INR70 crores coming in quarter 4 alone. So we do see an expansion in MHADA revenues in the current financial year and the same expansion will continue for the next 2, 3 years minimum and the foreseeable future. Coming to CIDCO, we have done a revenue of CIDCO of about INR372 crores for the full year '23-'24. We do believe that the revenue to be done in the current financial year will be somewhere close to INR600 crores.

Anupam Gupta: Okay. And now as you -- so all the 7 sites are under execution, so there's nothing thing which is left to start.

Rohit Katyal: The 7th location is yet to start but that is better because the client also is in process of selling the apartments, which are already coming up. But we do believe that by July, August, that location also will start the execution. So as we stand today, the extensions available are since 26th March. The 7th location as and when it comes in, a suitable extension will be granted by the client.

Moderator: The next question is from the line of Parvez Qazi from Nuvama Group.

Parvez Qazi: Sir, 2 questions from my side. I mean in terms of order intake, what is, let's say, the quantum of orders that we will be comfortable taking up in, let's say, FY '25? Fresh orders.

Rohit Katyal: So we are looking at INR3,000 plus crores as we stand today. It will be reviewed obviously with comparison to the revenues done in the first half year of the current financial year. And then we could decide to increase this number suitably. But as we stand today, the minimum order intake guidance can be taken at INR3,000 crores plus.

Parvez Qazi: Secondly, for the MHADA project, you mentioned that we did about INR250 crores revenues in FY '24. So what is, let's say, our target for FY '25 for this project?

Rohit Katyal: So at the moment, given the work front available, we are looking at about INR350 crores. But then you have to realize that there are all the projects currently being executed by the company, offer a revenue potential of average INR10 crores per month, okay? So even if that is -- that reduces by, let's say, INR15 crores, INR20 crores or increases by INR15 crores, INR20 crores, the revenue guidance will stand.

Parvez Qazi: Lastly, in terms of our debt levels where, let's say, do we see them by the end of next year, FY '25, let's say.

Rohit Katyal: So our net debt is approximately INR55 crores, INR60 crores at the moment. There is no doubt that we'll be net debt free by the end of current financial year.

Parvez Qazi: Yes. Lastly, what was the capex that we did in FY '24? And what's the target for FY '25?

Rohit Katyal: So the capex, which was done in last financial year, '24 was INR45.11 crores. We believe that the current year, the approval from the Board taken is approximately INR55 crores and we should be at that level only. So obviously, there is a serious effort to ensure that asset rotation is higher. We use our own equipment and restrict -- or do not take such projects where new asset acquisition is very high and disturbs our full year plan of capex.

Moderator: The next question is from the line of Deepak Poddar from Sapphire Capital.

Deepak Poddar: Many congratulations for great numbers. So sir, I've got 3 queries. I mean, you mentioned that in your opening remarks that in the future, I think our focus will be to improve upon our margins in terms of the orders that we take, in future orders. So I mean, generally, what is the threshold margin generally we look at whenever we bid for any kind of orders? And how do we see that EBIT margin trajectory over the next -- over FY '25-'26 on account of that?

Rohit Katyal: You see that what I meant in my opening remarks was that the future build pipeline, given the number of contractors and among these business opportunity, presents a clear-cut opportunity to all better placed contractors, including Capacit'e to expand on their profit margins, right? It is something that there is more demand than supply.

So it will be offering an opportunity, A, when you come to the building sector and when you talk about orders in excess of size of INR600 crores, INR700 crores, INR800 crores. You will not find more than 6 or 7 companies in the country who qualify in the government space. So that is a serious opportunity. Private sector will continue to be by invitation when we have already qualified practically all the top developers.

Now coming specific to Capacit'e. I had mentioned last year and over and over again, that EBIT margin should be taken as a threshold for comparison and increase in revenue, whereby fixed costs have remained same or slightly have been lower, has led to the expansion in your EBIT margins. We believe that if the revenue grows significantly, let's say, by 25% year-on-year, there will be a fair chance of opportunity for the EBIT margin to grow on the existing order book itself. Hope to have answered your question.

Deepak Poddar: Yes, I got it. And what is the range we might be looking at in terms of EBIT margin? I think current year was about 12%, right?

Rohit Katyal: So there is -- we are targeting, obviously, the guidelines have to be given on a historical basis. So 12% to 12.5% is what our guidance I can give you. But if something better happens, we should all be happy.

Deepak Poddar: So yes, so it can improve upon this level as well, right?

Rohit Katyal: We have improved compared to previous years. Yes, it can definitely happen. We are focused on it.

Deepak Poddar: That's very clear, sir. And my second question is, you mentioned, right, I mean, going forward, execution per quarter should be at least INR600 crores to INR700 crores in that range, at least?

Rohit Katyal: So INR600 crores is given. What I mentioned is that monsoon period, generally, given the summers, which we have had, we expect a strong monsoon as well, all right? And in monsoons, generally, if you have seen the trend in Mumbai, nothing happens in June. It starts pouring like mad in July and August. So earlier we used to lose 15 to 16 days. Last year, we lost 20 to 23 days. So it all depends on how many days are lost due to extremely heavy monsoons.

Now if the normal 20, 21 days are lost, we still hope that we will be able to do about INR550 crores to INR600 crores revenue in quarter 2. But yes, there will be significant improvement in quarter 3, quarter 4. Therefore, INR2,400 crores or 25%, 27%, whatever that growth number comes to is given. Anything above that will improve all the parameter and will be good for all the stakeholders.

Deepak Poddar: That's very clear, sir. And just my last question is on your debt. You mentioned we look to be debt free by this year end, so what sort of interest cost we might be looking at? I mean apart from your debt, other costs as well that comes?

Rohit Katyal: You see that the company currently has only noninterest-bearing advances. The interest-bearing advance on which last year we have paid -- last to last year, we paid about INR15 crores of interest to the clients. That is not shown at the project level, that is shown under the finance cost. And last year, that cost was INR7.92 crores. We believe that cost should come down to about INR1 crores or 1.50 crores in the current financial year. All right?

Now the advances from clients are between 8% to 12% per annum plus bank guarantee costs. The bank -- the interest on banks are wearing between 9% to 12%. However, going forward from H2 current financial year, we believe the finance cost to reduce by active 100 basis points or more.

Deepak Poddar: By 100 basis points as an interest cost?

Rohit Katyal: As interest cost.

Deepak Poddar: Okay. So but do we expect at least currently, I think, this quarter our finance cost was around INR23 crores, INR24 crores, right? So in the second half, this will go to about INR18 crores, INR20 crores run rate.

Rohit Katyal: So our total finance cost was INR25.61 crores in quarter 3. It has come down to INR22.15 crores in quarter 4. In quarter 1 current financial year, we should be at the same level of March '24. Thereafter, you can see some reductions over the entire financial year.

Moderator: The next question is from the line of Rahul Kothari from Grit Equities.

Rahul Kothari: I think, from last transcript, you did mention about the intention and objective wherein we intend to achieve around INR800 crores kind of run rate. So is it in any other quarter going like Q3, Q4, we expect to achieve such kind of run rate.

Rohit Katyal: Sir, we have grown significantly in Q4 as compared to Q3. Obviously, Q3 and Q4 are the main work seasons in India, given -- even Q1 would be similar; however, we have seen elections in this quarter, which meant lower availability of labor but we will still be maintaining the revenue guidance what we have informed you. Whether INR800 crores is possible? Of course, it is possible. But my guidance still sticks to 25% plus.

Anything above that, more than guidance on revenue, I am very optimistic on the guidance of EBIT and net profit. We would like to maintain the quarter 4 performance on the full year basis. And if you are able to do that, the company will improve significantly on ROE, ROCE and also add significantly value to all the stakeholders, including our shareholders who have stood by us relentlessly over the last few years.

Moderator: The next question is from the line of Mukul Verma from Verma Associates.

Mukul Verma: Congratulations on a very good quarter. I have one question on the depreciation. So depreciation in Q3 and Q4 of last year was INR27 crores, which has come down to INR22 crores in Q4. So can we expect depreciation to continue or it was just one-off?

Rohit Katyal: I have guided earlier, in the earlier quarters also. After having shifted from output to input method of accountancy from 1st of April '22, the depreciation now going forward is bound to reduce, thereby expanding the PBT and the PAT. And therefore, the right measurement will be EBIT, as I've been repeating and that's true for any company, including our company. So yes, the answer is that the depreciation will fall going forward. We expect the same depreciation of quarter 4 to continue in quarter 1 and quarter 2 and, thereby, little bit drop in quarter 3 and quarter 4.

Mukul Verma: Congratulations and all the best.

Rohit Katyal: Thank you.

Moderator: The next question is from the line of Faisal Hawa from Edge H. G. Hawa & Company.

Faisal Hawa: So sir, what is the kind of emphasis we place on now government products coming in? And this BDD, also what is the chances that we will get the contract for the balance towers also?

Rohit Katyal: So BDD is a single contract of INR12,000 crores. So we only had that order book for which land is made available. So in the current quarter, we will add about INR800 crores of land, which has been made available to Capacit'e on a stand-alone basis, all right? The second question is chances of getting the whole order, the whole order is with us. The work is going on. I urge investors to do visit that project site and see the enthusiasm in the locals because we have topped out nearly 3 buildings. We are giving a fabulous home to those people who were staying in dilapidated houses. And therefore, there is no question that the whole project will be executed.

We have started strong execution in the current financial year at the LLP level, that is at the SPV level. We have executed more than INR500 crores as revenue, which means about nearly INR45 crores or INR40 crores -- INR45 crores revenue per month. This will only increase in the current financial year. And therefore, we are extremely confident of getting the entire scope as per the original contract, if not more.

Faisal Hawa: And about the government contract, sir, we feel that we can get some more contracts for hospitals or other metro system revenue?

Rohit Katyal: Obviously, we are in this business. Isn't it? So we continue to bid. But as I explained that we will be choosy. We have a very large order book. There is no need to go and take any order, which disturbs our profit profile at the moment in time. As far as hospitals are concerned, there is a huge traction at that level on the health care. We qualify on the health care segment. We will be completing our first government hospital by August-September this year, which will further strengthen our qualifications to build across India, for all government hospital projects.

So therefore, yes, whether it is data centers, whether it is health care, whether it's residential or commercial or whether it is retail, the company qualifies in all of these segments and we will be actively pursuing opportunities in this. We have already guided that we are looking to close the current financial year with order inflow of INR3,000-plus crores, which means that the order book would still remain above about INR10,000 crores to INR10,500 crores.

Faisal Hawa: So, sir, if our quarterly execution, let's say, probably 2 financial years from today is to rise to around INR1,100 crores, what is the kind of inputs you would made from management as well as capex?

Rohit Katyal: Sorry, sir, I have not followed your question.

Faisal Hawa: So just now our run rate per quarter is around INR600 crores to INR700 crores. So if we have to ramp it up to INR1,100 crores per quarter, what kind of managerial changes or kind of capex changes would we need, even if it has to happen, say, 1.5 years from today.

Rohit Katyal: Sir, managerial changes at the top level and the second level are not required. Revenue comes from project sites. We have guided that over the next 2 years, we would like to restrict that number of projects to 35, 36. Now 35, 36 projects and if each project, minimum gives INR10 crores revenue that translates into a INR350 crores revenue per month. INR350 crores revenue per month translates into INR1,050 crores revenue, which you are talking about but give it some time.

Faisal Hawa: So we will have to have now projects of some ticket size and so that this INR10 crores per project per month can be achieved?

Rohit Katyal: We are already on way to that. That is why you are seeing an uptick in revenue. We built up our stocks. We built up the momentum. And the momentum is here to see in quarter 4, the momentum will continue. And as I told you, we do not look at the order book. Let's say, you have 65 and 70 projects, then the management bandwidth will definitely get stretched. We are here saying that we will be restricting the number of projects to 35, 36.

Okay, 1 or 2 give here and there, which does not stretch the management bandwidth, ensure that we make going forward INR10 crores revenue from each project to go to that goal of INR350 crores per month in execution, all right? So therefore, first question was, do we see any management changes? We do not see. Obviously, with increase in number of projects, you will have project teams adding up, all right? That was your question, which you asked me, I guess.

Moderator: The next question is from the line of Deepak Agrawal from Param Capital.

Deepak Agrawal: Yes. Sir, can you share some updates on the bank guarantee limits? How much are we tied up to fund this kind of growth? And also the second question was on the rating upgrades, sir. Any updates there, sir?

Rohit Katyal: So first question, bank guarantee, we have tied up INR252 crores and INR111 crores sanction is in place. So we do believe that by June end, July 15, the entire bank guarantee limits will be tied up. That's number one part of your question. Number two, our results are just -- have just come out today. We will be forwarding these today itself to the rating agencies. Our -- whatever we had targeted, we have achieved that. So -- but I wouldn't like to put a date on that immediately. Maybe we will inform you separately and whichever investor would like to know, they can approach our IR team and they will inform the date by which we expect the rating upgrade to happen.

Moderator: The next question is from the line of Darshil Pandya from Finterest Capital.

Darshil Pandya: Congratulations on this good set of numbers. Sir, first question would be on what is the overall bid pipeline, which we are like seriously considering.

Rohit Katyal: So in the private sector, we are working with Oberoi Raymond, we are working with Brookfield. We are working with all the Tier 1 developers. Now their bid pipeline is extremely strong. And therefore, we do believe that the private sector gives us a big opportunity. Number two, in the government side, both PMAY, if the existing government comes, they have committed 4 crores more houses to be constructed. So obviously, we will be contractors to some of them and, therefore, it gives a very huge visibility. Now bid pipeline, I can usually tell you that there will be an opportunity of more than 3 lakh crores to 4 lakh crores per year for the next 5 years if the construction or infrastructure momentum, which has been going on is not tampered with.

So therefore, bid pipeline is very strong. It is a time to pick and choose. We have to all understand. You must have seen L&T saying that they are short by 50,000, 60,000 labor. Tata Projects is also short of labor. So every company is struggling to get adequate number of workmen at the project site. So that is the only challenge, which we see when we book projects. Apart from that, we don't see any challenge. It is very simple today to take projects of INR6,000 crores, INR7,000 crores in a matter of 5 or 6 months.

But we need to understand that labor is a very, very important resource and it cannot be trained overnight. And it is still not an organized segment in India. For a small pay increase, they are bound to shift. So therefore, the bid pipeline is very, very strong; however, Capacit'e, as informed earlier, we will be adopting the pick and choose policy. But we are committed to booking orders of INR3,000-plus crores minimum in the current financial year.

Darshil Pandya: Okay. And do we have any orders from this Adani Dharavi project?

Rohit Katyal: So Adani Dharavi prequalifications are going on. I think there are 4 or 5 bid contractors who have been sent invitations to submit their prequalifications. We are one of them. As and when it happens, we will let you know.

Darshil Pandya: Any tentative time line that you might have for this?

Rohit Katyal: No, it's a very, very big and a complex project, which Adani has executed. So I do believe the railway side, land, which is available that will come up for construction first. But I do not personally have the definitive time line as I speak to you now. But of course, you can -- Amit from on our PR team will inform you in a couple of days after discussing with our business development team.

Darshil Pandya: And sir, what will be your full year PAT guidance if you might share with us?

Rohit Katyal: You have seen the quarter 4 numbers?

Darshil Pandya: Yes.

Rohit Katyal: Yes. So you can have your own guidance. It should be a very good year for all of us.

Darshil Pandya: Hopefully, yes. And sir, one last question, if I can ask. Sir, a couple of quarters back, we were also seeing we might enter some new cities and some new geographies somewhere. Is the management planning on something? Or is there a talk on the Board? Or how is it?

Rohit Katyal: So Delhi NCR is definitely on the radar. We have already taken a big one over there. We are clocking revenues in excess of 10 crores per month over there. And we will be booking and taking orders, both in the private and public sector in Delhi NCR. So we treat that as one geography, though it may be 3 states or 3 -- Noida is where we are currently executing. We have bid projects in Gurgaon, which has come up very well both from a pricing perspective and the quality of developers and the quality of contractors. You have also seen some developers from Mumbai getting into Gurgaon -- sorry, Gurugram.

So what I believe is that at least for the next 2 quarters to 3 quarters, the company will focus on Maharashtra, Gujarat. Gujarat pockets, we're already doing GIFT City. Large project we lost on -- we were L3 maybe or something like that. We couldn't compete financial -- from the price bid perspective. But yes, these 3 geographies will be major geographies, main geographies for Capacit'e in the current financial year.

Darshil Pandya: Congratulations again.

Rohit Katyal: Thank you.

Moderator: The next question is from the line of Parikshit Kandpal from HDFC Securities.

Parikshit Kandpal: Congratulations on a good quarter, sir. Sir, my question is on -- sir, if I can, as I joined the call a little late, sir. Sorry for repetition. Just wanted to check how much is the total CIDCO backlog now? And how much was the execution during the quarter from CIDCO?

Rohit Katyal: CIDCO backlog is about INR3,200 crores. And we have done about INR375 crores in the last financial year. We look to do about INR600 crores in the current financial year. Location 7 should start by July and suitable extension for that will be received. So out of INR2,400 crores, we have done INR800 crores. And we will be doing about INR600 crores in the current financial year and about INR750 crores in the next subsequent financial year to complete the scope, which we have at the moment in time.

Parikshit Kandpal: And the second question is, is all the escalations and price escalation, price variations now, all are like certified by the client.

Rohit Katyal: Completely.

Parikshit Kandpal: Okay. So my second question is on the...

Rohit Katyal: Quantity variations were pending but that to have been certified in quarter 4 of the current financial year.

Parikshit Kandpal: And what will be your strategy on the southern market now. So I mean, after -- I mean, we had done Brigade project and some projects for Prestige. So how are we looking at the southern markets in terms of business development now?

Rohit Katyal: You see that we have seen an improved realization in northern -- in Delhi NCR but we are yet to see an improved realization in Bangalore market. So it is not on our radar. Yes, Hyderabad is coming up with a lot of super high-rise buildings. Again, the entry would depend upon realization. We are very clear that Mumbai, MMR and Delhi especially Gurugram and Noida are giving much better realizations than the southern part of India. So while we would love to go back there and work but it will all depend on the realizations.

We have been invited to bid by Brigade for Hyderabad project. I do not know what is the current situation on that. But obviously, as you know, over the last 4, 5 years, we have graduated into public sector as well. And public sector is one place where we get an opportunity to bid for EPC projects. We are executing 3 to 4 EPC at the moment in time. And now even MCGM, which was earlier, BoQ tenders have now migrated to EPC. That gives us better opportunity to companies like ours to improve upon the efficiencies of engineering and thereby make a better margin.

So private sector, southern sectors will have to wait for some time until we see some improvement in the margin profile. Private sector, Mumbai, Delhi NCR, we see a strong growth. Public sector across the geographies, which we have been already operating in, we will look to focus at opportunities, which are presented. And obviously, the decision will be taken in perspectives of client quality and the pricing what we are able to derive from that market.

Moderator: Thank you. Ladies and gentlemen, we will take that as a last question. I would now like to hand the conference over to the management for closing comments.

Rohit Katyal: I would like to thank you, thank all of you once again for joining us on this call today. We hope that we have been able to answer your queries. Please feel free to reach out to our IR team for any clarification or feedback. Thank you and see you next quarter.

Moderator: On behalf of IIFL Securities Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.