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

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Sub: Transcript of Earnings Call Q2 FY26-27

Ref: Sub-para 15(b) of Para A of Part A of Schedule III of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/ Madam,

In continuation to our letter dated November 05, 2026, we hereby enclose transcript of the earnings call held on Thursday, November 05, 2026, on operational and financial performance of the Company for the Second quarter (Q2) and half year ended September 30, 2026.

Kindly take the same on record.

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

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

Thanking you

Yours faithfully,
For Capacit'e Infraprojects Limited

RAHUL KAPUR

Rahul Kapur
Company Secretary and Compliance Officer

Encl: a/a

“Capacit'e Infraprojects Limited

Q2 FY '27 Earnings Conference Call”

November 05, 2026

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 CHAIRMAN – 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 – EXECUTIVE DIRECTOR, ACCOUNTS AND TAX -- CAPACIT'E INFRAPROJECTS LIMITED
MARATHON CAPITAL – INVESTOR RELATIONS – CAPACIT'E INFRAPROJECTS LIMITED

Moderator: Ladies and gentlemen, good day, and welcome to the Capacit'e Infraprojects Limited Q2 and H1 FY '27 Conference Call. As a reminder, all participant lines will be in the listen-only mode. There will be an opportunity for you to ask questions after the presentation concludes. Before we begin, a brief disclaimer. The presentation which Capacit'e Infraprojects Limited has uploaded on the stock exchange and their website, including the discussions during this call contains or may contain certain forward-looking statements Should you need any assistance during this conference, please signal for an operator by pressing star followed by zero on your touch-tone telephone.

I now hand the conference over to Mr. Rohit Katyal, Executive Chairman, Capacit'e Infra. Thank you, and over to you, Mr. Katyal.

Rohit Katyal: Good day, everyone, and thank you for joining us. On behalf of Capacit'e, I extend a warm welcome to all participants on our Q2 H1 FY '27 earnings conference call. Joining me today are Mr. Rajesh Das, CFO; Mr. Alok Mehrotra; Mr. Nishith Pujary; and our Investor Relations team from Marathon Capital. I trust you have had an opportunity to review our financial results.

The presentation and press release have been filed with the stock exchanges and are also available on our website. I'm pleased to share that we have delivered another strong quarter, achieving our highest ever quarterly revenue of INR771 crores, representing a 19% Y-on-Y growth despite the seasonal challenges.

This performance reflects the strength of our execution capabilities, the commitment of our teams and the confidence our clients continue to place on us. Our growth is backed by a strong and diversified order book of INR13,000 crores as on September 30, 2026, providing excellent revenue visibility for the coming years. During FY '27, thus far, we have secured new orders worth INR2,487 crores, reinforcing our market position and creating a solid foundation for sustained growth.

Supported by our strong client relationships, improving execution intensity and a healthy pipeline of opportunities, we remain well positioned to capitalize on the growing demand across the construction sector.

We have also remained focused on strengthening our balance sheet and improving operational efficiency. Our healthy leverage profile and improved working capital performance provides us with the flexibility to pursue growth opportunities while maintaining financial discipline and creating long-term value for shareholders. As we look ahead, our priorities remain clear: accelerating execution, securing quality orders, enhancing operational efficiencies and delivering sustainable and profitable growth.

I now turn to the key updates during the quarter. This quarter saw us achieving our highest ever quarterly revenue, driven by a significant ramp-up in the project execution across key sites. While elevated commodity prices continue to exert some pressure on the margins, the impact was substantially mitigated through contractual escalation clauses embedded in our projects for key raw material.

As execution scales up further and commodity prices stabilize, we remain fairly confident of improving profitability over the medium term. Improved working capital efficiency resulting in a reduction of 11 days in working capital cycle compared to Q1 FY '27.

The company added Mahindra Lifespace Developers Limited as a new client, further strengthening our customer portfolio. As mentioned earlier, order book stood at INR13,013 crores as on September 30, 2026, with a balanced mix of 54% coming from public sector and 46% from the private sector projects. Combined with orders secured in FY '27 and a strong identified bidding pipeline, we remain confident of surpassing our FY '27 order inflow target.

With that, let me take you through our operational and financial performance for the quarter. Revenue from operations for Q2 FY '27 stood at INR771 crores, up by 19% year-on-year. Revenue from operations for H1 FY '27 stood at INR1,400 crores, up by 13% year-on-year. EBITDA for Q2 FY '27 stood at INR119 crores, up 10% year-on-year. EBITDA margin for Q2 FY '27 stood at 15.5%. EBITDA for H1 FY '27 stood at INR218 crores, up by 4%.

EBITDA margin for H1 FY '27 came in at 15.6%. PAT for Q2 FY '27 stood at INR48 crores as compared to INR51 crores in Q2 FY '26. PAT margin for Q2 FY '27 stood at 6.1%. PAT for H1 FY stood at INR87 crores as compared to INR98 crores in H1 FY '26. PAT margin for H1 FY '27 stood at 6.2%.

With that, I leave the floor open for questions.

Moderator: Thank you very much. The first question comes from the line of Rajesh Jain from RK Capital. Please go ahead.

Rajesh Jain: My question is primarily on the contract assets file. If I look at your balance sheet, under your non-current assets, there are contract assets of INR279 crores, under current assets there are contract assets of INR1,179 crores and trade receivables on top of it are INR1,182 crores. So put together, it comes to INR2,640 crores which is 95% of your previous 12 months revenue. I wanted to understand on this contract assets, are all of this retention money and unbuilt revenue or is there something else in this? How much of it is retention money and how much is unbuilt revenue?

Rohit Katyal: So retention money is INR170 crores, which has remained steady in spite of growing revenue, number one. Number two, the contract assets have to be reduced by INR217.62 crores towards the negative contract assets. As such, the total contract assets will stand at it will be divided into the following please note it down.

INR1,188 is towards work in process is essentially are milestone payments, which are billed. And if you see the increased revenue is only reflecting that the WIPs in spite of increased top

line are getting converted into sales and debtors and the debtors are getting collected. The collection for the corresponding six months also reflect that fact.

The debtors in totality after ECL provisioning stood at on a consolidated basis at INR1,300.27 crores. Most importantly, the working capital days quarter-on-quarter has fallen by 11 days. As informed during the last conference call, this trend will continue, and you will see the committed reduction in the full financial year.

Rajesh Jain: Okay. I'm not clear on one point. So how much should I count as your total receivables because there is a receivable and there is an unbilled receivable, right? So if I have to put both of them together, that figure will be roughly around INR2,300 crores, INR2,400 crores or what will be that?

Rohit Katyal: INR2,400 crores on net basis.

Rajesh Jain: Okay. This will be roughly around 85%, 90% of your previous 12 months revenue, right?

Rohit Katyal: But this has to be taken over the revenue buildup for the current financial year. It should be approximately 77% to 78% of the full year.

Rajesh Jain: What is the aging of the contract assets? Like how much of contract assets are zero to three months and three to six months and more than six months?

Rohit Katyal: You can just drop in a mail. We can share that with you. However, having said that, the debtors are at INR1,300 crores, right? So approximately 120 days, which includes milestone billings, which are done and received over the next two quarters. So that is the total debtor level and it has to be compared over the revenue projections for the current financial year and not the previous year.

Rajesh Jain: Sir, when I compare with your peers, I think your peers are having contract assets roughly around 18% to 20% of the revenue. So I just wanted to understand I mean why is it that after we recognize the revenue in our books but why are we not able to billed to the client I understand the reason is there are certification delays right there maybe you're not getting the go ahead to raise the invoice. So I wanted to understand that why does it take so long for our clients to certify the work and why is it not the case with similar peers like Ahluwalia or other peers.

Rohit Katyal: So I will tell you let the Ahluwalia results come out so I will not be able to comment on that. my nearest competitors like PSP are at 78%. I do not know from where 19% or 20% has come. Ahluwalia last year was 58%. We were at 87% and we are giving a guidance of about 78% for the current year.

In the same sector other people like metal engineering is above the top line that is 108%. You have many companies but I have yet to see any company or having 19% to 20% what you mentioned. Contract assets you have to add other assets as well under what classification the assets are lying that has to be totaled up all right we have the calculations available with us. So your information my friend is incorrect. Nowhere in the industry anyone has a contract assets which mean includes WIP retention monies certified debtors and non-certified debtors of 20%.

The market leaders in this last year was Ahluwalia was at 56. Everyone else having a rating is above close to 72% to 73% of the top line and we hope to achieve in the current financial year close to 77% to 78%.

Rajesh Jain: Okay sir in general irrespective of sir...

Moderator: Mr. Jain, please return to the question queue. Our next question is from the line of Dhananjay Mishra from Centrum Broking

Dhananjay Mishra: Yes good morning sir. so can you talk about project-wise contribution in the current quarter from all these project like NBCC, Signature Global, MHADA and also Raymonds and also the recently awarded project like Purvankara or Mahindra when they are going to contribute from which quarter in terms of numbers. So out of the certified sales for the first six months.

Rohit Katyal: So out of the certified sales for the first six months CIDCO stood at INR178 crores. It can be up and down by INR1 crores or INR2 crores. MHADA was INR123 crores. Leisure Valley was INR95 crores. Raymonds was INR100 crores, Downtown was INR111 crores. So these were the main projects. Apart from this, M3M was INR60 crores, Godrej Mahalakshmi was INR50 crores, IOCL Andheri was INR40 crores and so on. On the consolidated basis MCGM Bhandup gave INR63 crores and the Maldives project INR169 crores.

Dhananjay Mishra: And when can we start -- I mean follow-up question this Mahindra Life will start from Q1 of next year or it will start from Q4?

Rohit Katyal: The revenue I believe we should start recognizing from quarter 1 of the next financial year. If it starts by quarter 4, it should be happy news for everyone.

Dhananjay Mishra: Okay. And my second question as per new project is coming in, can we expect the next two quarter run rate will be INR800 crores plus for this financial year? And eventually, as we are targeting INR4,000 crores in FY '28 we will be reaching INR1,000 crores quarterly run rate by Q1 or Q2 next year

Rohit Katyal: We are to do that. We have already crossed in the previous month more than INR260 crores. So we are well positioned to cross INR300 crores run rate by quarter 4. And therefore, the projection of INR4,000 crores for the next financial year. That's number one.

Number two, our target is quite strong for the current quarter as well. However, we need to account for the NGT issues which may arise and are getting more and more stringent with every passing year. So I cannot predict what will be the NGT stand in Delhi NCR for this current winter. However, we have definitely factored about INR45 crores to INR50 crores of revenue loss. All in all, we have given a particular target for the year and we see no reason at the moment why we will not achieve that.

Dhananjay Mishra: Nationwide water issue is there. So our requirement of water for construction project can you anticipate in certain government may ban this construction activity temporarily as water levels are low. So what is your take on that?

Rohit Katyal: We are urban areas construction company. So we did not face a problem or we countered issues which were during the low rain resulting out of the rainfall. At the moment, we do not anticipate any such issues. However, if something drastic were to happen, we will keep our all stakeholders informed.

Dhananjay Mishra: NGT issue will come only NCR reason not in Mumbai reason right?

Rohit Katyal: No, NGT is for NCR.

Moderator: The next question is from the line of Tanmay Jain from Dolat Capital.

Tanmay Jain: Congrats on the performance. Sir, my first question is mainly pertaining to the labor availability that we might see, especially in the upcoming UP elections in the last quarter of the financial year. So like can you please elaborate on this? And if possible, if you can quantify on the execution capabilities that might impact due to this?

Rohit Katyal: If you have heard my comments in the last quarterly conference earnings, I said that in India, we cannot work more than 10 months in a year because of continuing elections, because of NGT issues, because of issues which are not attributable to the company or for that matter, anyone. So these are force measure. I can only call them force measures. At the moment, I do not see any impact. The availability currently is quite strong, all right?

And we are taking all measures to retain our workmen during elections. Quarter 1 of the current year saw the revenue dip because of the Bengal elections. And whatever learnings have come, I think all major construction companies are trying to do that to avoid similar situation in quarter 4 of the current financial year.

Tanmay Jain: Okay. Sir, my second question is on the aluminum prices. If we see the aluminum prices have come back to pre-levels. And based on the commentary from the global aluminum companies, it seems like it will be hovering around these levels or maybe go down. So are these price levels still high for us as a procurer or we can see any possibility for reversal on the provisions in the coming quarters?

Rohit Katyal: See, at the moment, the steel prices, which were INR47,000 three months ago, today are hovering around INR62,000 per metric ton. Aluminum prices have come down, but it is still away from the levels it were in the pre-war period. Aluminum formwork has gone from INR10,500 per square meter to INR14,500 representing a 40% increase. Yes, there will be a correction, should come down to INR12,000, INR12,500 for future procurement. However, at the moment, I cannot comment whether it will be in the prewar stage.

That's number one. Number two, our profitability is not impacted by higher aluminum prices because it's a short-term capex for us or for the matter of company. It is written down over the 5-, 6-year period as per the depreciation policy of the company. It only impacts cash flow. So if we were to spend INR1 crores earlier on procurement of aluminum formwork, now we have to spend INR1.4 crores. And the appreciation in dollar has also not helped the cost.

So I don't see any impact on profitability. slight impact or negligible impact on the overall cash flow from operations at the end of the financial year. Also, I do not see any impact. So we have to wait and watch. It's too -- it would be premature on my part to say what impact this INR2,000 a square meter of aluminum would result into. Yes, electrical items will become more reasonable, but we have to give them a couple of months.

Tanmay Jain: So like how much capex we have done towards the aluminum formwork procurement in the H1?

Rohit Katyal: We have done a total INR127 crores of total formwork purchases.

Tanmay Jain: And the balance that we left out?

Rohit Katyal: I would like to correct myself. I'm sorry. The total formwork purchase is INR64.2 crores and the plant and machinery purchase is INR10.57 crores. Since the order pipeline is very strong, I do believe that the entire budgeted procurement of INR135 crores to INR140 crores will be required and completed in the current financial year. That is the balance H2.

Tanmay Jain: And sir, I'm getting it correctly that at current price levels, these levels are still higher than our escalation clauses.

Rohit Katyal: So the gap was 5% or 6% in quarter 1, the gap has come down to maybe 2% as I told last quarter also, it takes 6 to 9 months. The government wholesale price indices do not move the way the international markets move.

Tanmay Jain: Understood. Understood, sir. Sir, just one last question. Sir, I just want to broadly understand how asset turnover works in our business. Like for instance, if we are targeting around INR4,000 crores of revenue in FY '28. So essentially, I want to understand how capex requirements are aligning with the revenue growth. Can you just briefly give the answer on that?

Rohit Katyal: The capex requirements are directly proportional to the order intake and the quantum of projects which we start quarter-on-quarter. However, we have maintained our core fixed assets turnover ratio for the quarter ending 30 2026 stood at 4.7%.

Tanmay Jain: Okay. So I can assume that for achieving INR4,000 crores milestone, we will more capex and basically our PAT margin. That's what my concern was.

Rohit Katyal: Sir, I think we have an industry-leading PAT margin. Our cash PAT margin also continues to be within the target range of 10.5% to 11.5%. Our cash flow last year after adjustments was positive. That is after repaying INR101 crores of term loans. At the moment, on a consolidated basis, our fixed asset revenue turnover ratio is 4.7.

I don't see any reason why on INR4,000 crores, it will not be well above 5, again, an industry-leading number. And therefore, see, the cash flow from operations is what is most important for us. We have to ensure that after repaying our term loans or adjustment of financial adjustments in the cash flow, the company is left with positive cash flow. is very important Profit, as I told, because of geopolitical issues, you saw some more dip in quarter 1. It was better in quarter 2.

And I'm sure if the geopolitical situation improves, we will see a higher PAT number going forward. However, whatever our targets are set for the whole financial year, I don't see any reason material or otherwise at the moment to change that.

Moderator: The next question is from the line of Vasudev Ganatra from Nuvama.

Vasudev Ganatra: Congratulations on a great set of numbers. Sir, can you just give us what's the current progress on the MHADA CIDCO and the signature global projects?

Rohit Katyal: So MHADA out of 34 rehab towers we have been given 25 rehab towers already at the current level the total rehab portion at the JV level will be close to INR6,500 crores. So you can divide that if you reduce about 9 towers to be received, we have a clear cut work front of close to INR4,200 crores, INR4,300 crores as far as the rehab towers are concerned. This figure includes price variation. On the residential, we have started filing on sector 8 and 9, which are the residential towers. Sector 10 will be handed over by the department latest by December.

So we can see a serious ramp-up of revenue in the current financial year.

We have already seen a ramp-up in the current financial year, but a very meaningful ramp-up can be expected in the next financial year. And just to add a 35% would be to our share. On the second part of CIDCO, I'm happy to share that further scope of work will be added to the operational order book in the current month or so. And therefore, we expect revenues from new locations starting from quarter 1 of the next financial year. And therefore, we will see a meaningful revenue from the CIDCO project happening.

Point number three, Signature Global will be impacted in this quarter due to NGT issues. But otherwise, we are close to INR15 crores per month or thereabouts. And we are in a situation that the Phase 1 that is titanium excluding the NGT impact, we should be in a position to INR18 crores, INR19 crores per month from quarter 4 of the current financial year.

Vasudev Ganatra: For MHADA CIDCO, is it possible to give what is the quarterly run rate right now? And how much are you expecting in Q4 and going forward?

Rohit Katyal: Yes. For CIDCO, in the first six months, the company has done INR177 crores, close to INR30 crores per month as a run rate. We expect this run rate to increase by 35% to 40% in quarter 3 and quarter 4. Quarter 1 of the next financial year, obviously, I told you that new scope has been added and that will substantially increase the revenue. So next year, I do expect the run rate to not be less than INR50 crores per month, which would mean that INR150 crores per quarter and INR600 crores per year.

As far as MHADA is concerned, we have done a revenue of INR124 crores in the first 6 months. Again we expect an increase of 25% in the remainder of the financial year and should increase by over 40% from the current level in the next financial year.

Vasudev Ganatra: That was quite helpful. And sir, second question is that you mentioned that water supply is not an issue for us and even the commodity prices are coming down. So the INR10 crores provision that we did in Q1 and also in Q4, do we expect it to reverse in the second half?

Rohit Katyal: I cannot give a comment because you see that I would like to see the markets behaving the geopolitical situation easing out because oil is INR115 day, INR90 the next day, day it becomes INR72. So it's too volatile at the moment and even the dollar price is not helping. So the point is we should give it a quarter more. If the price variation in government contracts can match the actual market inflation, then you will see some reversal happening in quarter 4. Unfortunately, if that does not happen, it will not happen.

But we should not predict the market, very, very dangerous to do that. But at the moment, what I can say is the green shoots are that in quarter 2, the escalation, which was much lower in Q1 as per the Office of Economic Adviser, has increased and the gap has narrowed down substantially. And therefore, you see the improvement in profitability. If this gap diminishes in quarter 3, I will be better placed to answer this question in the next earnings conference call.

Moderator: The next question is from the line of Parth Thakkar from JM Financial.

Parth Thakkar: My first question is regarding the order inflow pipeline. Has there been any projects where we have bid and results are yet to be awaited?

Rohit Katyal: Yes, many. So we have active bid negotiations going on for INR3,270 crores. The bid pipeline is very strong and we see no reason why we will not surpass our annual target provided to you all.

Parth Thakkar: And can you reiterate the guidance for FY '27?

Rohit Katyal: So FY '27, the original guidance was INR4,500 crores. I believe that as I speak to you today, we have done ~ INR2,500 crores or whereabouts. So INR4,500 crores was the guidance for the financial year '27. We have already crossed INR2,500 crores or thereabouts. And with the bid pipeline and whatever we have submitted the bids, we are very confident of surpassing the full year guidance comfortably.

Parth Thakkar: Would be in the same level of...

Rohit Katyal: So margin profile, we have given a guidance for the full year, and we will maintain that guidance at this moment in time. If there is improvement in the commodity prices and the escalation, as I mentioned in the answer to the previous question, if the escalation matches the cost price increase, we will revisit that in quarter 4 of the current financial year. But the current guidance remains intact.

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

Deepak Poddar: So just continuing on the margin part. So what's the guidance for the margin for this year, FY '27, EBITDA margin?

Rohit Katyal: So we have given a guidance in the quarter 1 itself of 15.5% to 16.5% at EBITDA level. And we have given cash PAT levels of between 10.5% to 11.25% thereabouts, and we continue to maintain that level.

Deepak Poddar: So what is 10.5% to 11%?

Rohit Katyal: Cash, cash profit.

Deepak Poddar: Okay. Okay. Okay. Got it. So ideally, I mean, last year also, your EBITDA margin was around 16%, 16%, 16.3%. So ideally if you look to grow your top line by 20% with similar EBITDA margins, so ideally bottom line also, do we expect 20% kind of a growth in your bottom line?

Rohit Katyal: Bottom line, yes, we have been growing at a CAGR of 40% or more in our bottom line. You see that as a practice and company policy, we always discuss with you all the consolidated numbers, all right? And consolidated numbers means that where the company has joint ventures, it has got overseas projects like in Maldives, where obviously the margin profile is lower than the project what we are executing on a stand-alone basis, because we are only taking into account our share of profit, okay? And therefore, I see no change happening in that. On the contrary, with the Maldives project getting over in the current financial year, you will see some uptick in the margin profile next financial year.

Deepak Poddar: Okay. So the reason I was asking because in this first half on a Y-o-Y basis, your bottom line is largely similar. We have not seen any growth in the first half. So that's the reason I was asking that in the entire year, do we expect, I mean, a similar revenue growth as in PAT growth?

Rohit Katyal: The last year, we were impacted positively by recovery of certain bad debt to sale of noncore assets. And therefore, this was informed in the last year's conference call as well. We have targets, assets for held under sale of INR48 crores in the current financial year as well. We are putting all efforts to realize the value of those assets in the current financial year. If we are successful, then you will again see an uptick in the margin profile.

But you have to remember, this is coming from the held up monies which were held up maybe five years ago, and the company has worked very hard to get these my realized. I'm talking from the operating current order book perspective, 15.5% to 16.5% is the EBITDA guidance for the current year. It remains the same as what we told last time around. And the PAT will also be at similar levels. If the other income comes in, you will obviously see a step-up in the profit margins.

Deepak Poddar: Understood. And on the provisioning part, I mean, I think last two quarters, we have provided some INR20 crores, right, because of the commodity price volatility. So have we provided anything this quarter and that...

Rohit Katyal: No, we have not provided anything this quarter.

Deepak Poddar: And any kind of reversal that we can expect in coming quarters?

Rohit Katyal: Yes, I just answered that. You can expect reversals only if commodity prices stabilize over -- completely over this quarter, and we see some benefits of green shoots we can see today. And therefore, there is no provisioning taken in the current quarter. But we have to give the markets to stabilize some time. And once we see the stability, we can guide for this reversal for quarter 4 only when we meet for quarter 3.

Moderator: The next question is from the line of Rahul Kumar from Vaikarya Fund.

Rahul Kumar: Just on the guidance for the full year in terms of execution, when you mentioned that 20% growth we are guiding for FY '27, are you factoring in any disruption for the NCR region?

Rohit Katyal: I just answered. However, for your clearer information, no one can predict what is going to happen this year around with NGT. Last year, we had taken 15, 20 days as a shutdown period. However the first set of details which are coming out like a complete ban from 5th November to 20th November, itself is taking away 15 days. So last year, it was Graph 1, 2, 3, 4.

So complete suspension used to happen in Graph 4. Now we are assuming Graph 2, 3 and the complete suspension has happened. So we will have to wait and see how it pans out. I am as eager as you to know that, but I will not be able to give a firm number to that. If the disruption is 15 days or so, no issues at all. If it is 20 days, we will still cope up from the other projects. However, if it is 45 days, I cannot give a number to that.

Rahul Kumar: Understood. And let's say, 1H INR1,400 crores revenue, how much of that was from NCR?

Rohit Katyal: I do not have that bifurcation in front of me. But if you put a mail, maybe we can try to answer your question to some level.

Rahul Kumar: Okay. Second question is more on the margins. I think you already answered a lot. But would it be fair to say that, let's say, the commodity prices remain where they are as of now these are the bottom margins which we have seen now and hopefully, this should improve from here on?

Rohit Katyal: So I would like to reiterate again that if the commodity prices stabilize and the escalation clauses in the government tender match those increases then yes, you will see improvement from quarter 4. But if the prices of main commodities are so volatile that between quarter 1 and 2, you see a gap of 35%, then it's very difficult to give a prediction. However, currently, they are stable. There are some downward trends in the main commodity prices. Most of the -- 100% of the private sector is full pass-through.

But when -- in government, it depends on the price variation, which is derived from the WPI and commodity-based indices. Those have caught up much better in quarter 2. If they catch up in quarter 3, then yes, in quarter 3 earnings call, I can give you a firm answer. But if it is not stable, then it will be very difficult to predict something on which I have no control.

Rahul Kumar: Okay. And which are the commodities where you have seen a higher inflation versus the whole cost escalation?

Rohit Katyal: We have seen higher prices of steel, okay? We have seen higher prices of all electrical items, which have just a little bit got corrected because of CPW circular and the formula to bring it down to the current prices. So these two are the major things which are impacting. The war took the prices through the roof by 20% escalation has caught up to some extent, but not for the entire increase. When I say increase means, obviously, it increases the cost of production.

So therefore, if the quarter 3 does the catch-up and matches this increase in finishing items, electrical items, electrical items and so on and so forth, I will be able to give a more clear answer in the next conference call.

Rahul Kumar: Okay. So basically for the public sector projects...

Moderator: I'm sorry to interrupt sir, could you return to the question queue? The next question is from the line of Diwakar Rana from Prudent Equity

Diwakar Rana: I would like to know the long-term strategy of increasing our margin because in last 11 quarters, we have not seen any profit growth. We used to do 15% margin. Now we are doing 15%. And this quarter, your depreciation expense has also increased from 29% to 35%. So what is the long-term strategy to increase this margin and give some profit growth on a quarterly basis?

Rohit Katyal: The profit from -- with respect to last quarter has increased. However, as a strategy, I just mentioned that the company continues to look at profitable orders, which match our current profit profile or improves upon that. And our order mix clearly substantiates that these orders which have to be executed over the next 3, 3.5, 4 years period when superimposed do suggest that the margin profile, which we have been committing of 15.5% to 16.5% as EBITDA, which again is a market-leading EBITDA level or the PAT level at the current levels because we still wait for the commodity prices to stabilize. Once that stability happens, I can give a guidance on the increase.

But on an absolute basis, we are well on track to have a very good growth in the current year and the next financial year. So there is no change in the long-term strategy of the company. We will focus on our core strength. We will not digress into new segments of infrastructure. Building and building construction, including factories will be our domain of growth.

And there will be some geography expansion into Tier 2 and Tier 3 cities. We will be qualified for international projects once we have completed the Maldives. And this is how the strategy of the company, what was taken up in 2024 will continue, and there will be no change in the foreseeable future.

Diwakar Rana: And sir, on the debt part, I see there is some increase in the debt. So how do you see the debt in this financial year and next financial year?

Rohit Katyal: Debt at this level in spite of the growth will remain same. We have invested about INR80 crores in capex, majority of which has come through term loans. The repayment per month is approximately INR10 crores. So I see -- I believe firmly that by 31st -- as on 31st of March, there may be a slight reduction, but we foresee a sizable buildup on the cash position. So the net debt should fall or be in line with the 31st March '26 numbers. This is what we believe.

Diwakar Rana: And sir, I would like to know the depreciation expense trend going forward. This quarter, we did around INR35 crores. So given that you said you will be doing INR135 crores capex. So how do you see the depreciation?

Rohit Katyal: Depreciation is directly proportional to the capex which we do... So the point is that aluminum formwork, which is the majority of our procurement is being written off over a 7-year period. And maybe with the project execution period, which was earlier 4.5 years now coming down to 3 years, this depreciation will only accelerate. So at the moment, all I can say is it will be at the current level. What is more important for us is to improve the top line and thereby bring down

the fixed cost as a percentage to the top line to improve the profitability, EBITDA or whatever parameters you are looking at.

Moderator: The next question is from the line of Amit from RoboCapital.

Amit: Sir, I just want to reconfirm our FY '28 revenue guidance of INR4,000 crores. I hope -- I mean, I joined the call after a couple of quarters. I just want to reconfirm that.

Rohit Katyal: Yes. At the moment, our guidance remains unchanged. FY '28 at INR4,000 crores.

Amit: Right. And what do you expect our order inflow to be for H2 of this year and next year, FY '28?

Rohit Katyal: So H2 of the current -- we believe that we will cross the targets given for the full year very easily. So that's one the target was given at INR4,500 crores as new order inflows current orders already booked and with what we are negotiating in current month and next month, we do believe that we may revise the order inflow chart in the next quarter. The bid pipeline is very, very strong. And so we see no reason why a 25% increase in order book should not happen in the next financial year to commensurate with our top line guidance.

Moderator: The next question is from the line of Parikshit Gupta from Fair Value Capital.

Parikshit Gupta: I am relatively new in covering the company, so please pardon my naivety of questions. First question on the public-private share mix. While I do understand that the management's objective is to ensure profitability and cash flows rather than the sponsor, are there any plans of moving towards more private projects in the coming future?

Rohit Katyal: So we have maintained that a healthy mix will be maintained at about 55%, 45%, 50-50. It's dynamic. You have another INR1,000 crores coming in private sector, it may shift to private sector being 45% and government -- you may see certain government projects from coming in and that mix shift again. But ideally, we would like to see government at 55%, private sector at 45%. This is simply because the government projects are and key.

The project values are higher because it's not sharing like in private sector. So this mix is what we will try to maintain. What was the second question?

Parikshit Gupta: Okay. No, no, no. I'm sorry. Yes. The second question is on the promoter pledge. I believe that the management had earlier guided that it could be completed by the end of FY '27. So I just wanted to check, has there been any updates on that or any modifications in the earlier guided figures?

Rohit Katyal: No change. We have reduced INR35 lakhs of pledge this year. Now only 50 lakhs of shares are pledged for the company limits with State Bank of India, project-specific limit. The limit, which was initially INR608 crores has come down to INR140 crores. And therefore, we have given a guidance of 31st March 2027, and we are working towards it.

However, this pledge is not for promoter or anything. It's for the company's working capital limits, which the company is using. And therefore, it can be concluded as a very, very safe pledge unlike the earlier pledges which were given to NBFCs, which has all been removed and the

company will not give any pledge in the foreseeable future to any NBFC for working capital limits enjoyed by the company.

Moderator: The next question is from the line of Tanmay Jain from Dolat Capital.

Tanmay Jain: Sir, just two quick questions. Firstly, on the monthly run rate on the NBCC project and the IIT Bombay project.

Rohit Katyal: So NBCC, we have crossed INR60 crores run rate. However, the NGT impact for November will be there. But not withstanding that, in the keen period where the NGT impact is not there, we will do about INR65 crores to INR70 crores per month.

Tanmay Jain: And for the Bombay...

Rohit Katyal: IIT Bombay, only location has been handed over of INR70 crores against INR550 crores. And that's the only thing we can execute at the moment in time. The client is trying the level best to take certain permissions for tree cutting. Once that is there, then the overall run rate can be given. However, we do believe that the client will be able to provide the entire frontage by 31st March '27. And in which case, we will have to then complete the project in 24 months, which means that the run rate would be about INR60 crores per quarter, excluding escalation.

Moderator: Do you have any further questions?

Tanmay Jain: Yes. Just one last question. Sir, as NBCC is planning for the Gi land for the project, by any chance are we looking for that opportunity or...

Rohit Katyal: We continuously keep bidding for CPWD and NBCC in the central government apart from the other PSUs. So NBCC, a lot of projects are coming. I do not have a list of specific one which you mentioned. But then there will be bids going month-on-month to NBC. And depending on the geography where we are present, we shall submit our bids.

So for example, they were bids invited for J&K, we refrain because that is not our geography at the moment in time. But yes, we will look at projects in Delhi NCR area, maybe even 150, 200 kilometers away from Delhi NCR, and we will be looking at Mumbai MMR area. NBCC and CWT, these are the locations we are focused on.

Tanmay Jain: Okay sir. And we will be building for the CPWD for the RV headquarters general Mumbai right?

Rohit Katyal: We will be.

Moderator: The next question is from the line of Rohit Gupta from RKG Online.

Rohit Gupta: Hello. good morning. sir regarding the CIDCO project the company L1 better. Could you please explain why the project profit is taking so long?

Rohit Katyal: The board meeting has happened and we are given to understand it has been cleared in the board meeting. Hopefully in the next 10 days we should be able to share some good news with you.

Rohit Gupta: And sir, my next question is, could you please explain the rationale behind appointing CEOs?

Rohit Katyal: Yes, absolutely. We believe that including Rahul or other members, no one is super human. The projects are getting more and more complex. And therefore, we have appointed CEOs in charge of each BU. We have divided these BUs into 4 BU1, BU2, BU, B4.

And each BU head or CEO has been mandated with a minimum revenue and profit after tax or what we call in construction power contribution quarter-on-quarter and for the year. So we believe that this structure has given us a better quarter 2, and we see no reason why this upward trend will not continue. This was the only reason for having a strategic shift from having a conventional CEO to four BU heads or CEOs.

Moderator: The next question is from the line of Mayank Kothari

Mayank Kothari: I would just like to understand how much recovery has been done for the first half from the aging -- from the old debtors that we had? And what is the expectation at the end of the year, how much we will recover?

Rohit Katyal: So we have been able to get the property registered in our name. We hold INR48 crores of properties for sale in H2 of the current financial year, and that is the target. In the first half of the first half, the physical money flow was approximately INR5 crores to INR6 crores. However, this will grow in the coming quarter or plus whatever has been recovered, maybe INR52 crores to INR54 crores could be the total recovery. Obviously, this is subject to the pricing available for the properties held for sale.

Mayank Kothari: And what will be the final number that we will be getting, let's say, by FY '28?

Rohit Katyal: So I have given that INR200 crores, which was held up or maybe INR350 crores in 2020, we have already recovered close to INR200 crores out of INR150 crores, we are holding assets worth INR50 crores or thereabouts that will remain -- that means only INR100 crores will be pending subsequent to this collection, against which we already are having some properties, and we are on the verge of finalizing certain settlement agreements.

As and when that happens, we will let you know. But I would like to say that we have been successful in protecting the commercial interest of the company for the monies which were stuck and provided for over these so many financial years.

Moderator: Ladies and gentlemen, we take that as the last question. I now hand the conference over to Mr. Rohit Katyal for closing comments.

Rohit Katyal: Thank you all for joining us today and for your continued support and confidence in Capacit'e. We hope we have addressed your queries and provided useful insights into our performance and growth outlook. With a strong order book, healthy execution momentum and a robust project pipeline, we remain confident about our future prospects. Should you require any information, please free to reach out to our Investor Relations team. As we celebrate the festive season, I wish you and your families a very Happy Diwali and a prosperous new year.

Thank you once again, and we look forward to connecting with you again next quarter. Have a wonderful day and holidays.

Moderator: Thank you very much, sir. On behalf of Capacit'e Infraprojects Limited, that concludes this conference call. Thank you all for joining us, and you may now disconnect your lines. Thank you.