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BSE Limited

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Mumbai- 400 001

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 Q1 FY 2026

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 August 12, 2025, we hereby enclose transcript of the earnings call held on August 12, 2025, on Operational and Financial Results of the Company for the first quarter (Q1) ended June 30, 2025.

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

Company Secretary and Compliance Officer

Encl: a/a

Capacit'e Infraprojects Limited

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“Capacit'e Infraprojects Limited
Q1 FY '26 Earnings Conference Call”

August 12, 2025

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 – HEAD, FINANCE – CAPACIT'E
INFRAPROJECTS LIMITED
MR. NISHITH PUJARY – HEAD ACCOUNTS AND DIRECT
TAXATION -- CAPACIT'E INFRAPROJECTS LIMITED
MARATHON CAPITAL – INVESTOR RELATIONS –
CAPACIT'E INFRAPROJECTS LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to Capacit'e Infraprojects Limited Q1 FY '26 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

Before we begin, a brief disclaimer. The presentation which Capacit'e Infraprojects Limited has uploaded on the stock exchange and the website, including the decisions during this call contains or may contain certain forward-looking statements concerning Capacit'e Infraprojects Limited business prospects and profitability, which are subject to several risks and uncertainties, and the actual results could materially differ from those in such forward-looking statements.

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

Rohit Katyal: Yes. Good evening. On behalf of Capacit'e Infraprojects Limited, I extend a warm welcome to all participants on our Q1 FY '26 earnings conference call. Joining me today are Mr. Rajesh Das, CFO; Mr. Alok Mehrotra, Head of Finance; Mr. Nishith Pujary, Head Accounts and Direct Taxation; and our Investor Relations team from Marathon Capital.

I trust you all have had a chance to review our results. The presentation and press release have been uploaded on the Stock Exchanges and are also available on our company's website. Let me begin by saying that FY '25 was a transformational year for Capacit'e Infraproject Limited. We achieved a record performance across multiple parameters, both operational and financial, which has laid down a strong foundation for future growth.

This momentum has carried forward into the first quarter of FY '26, where we have once again delivered a robust performance despite some temporary challenges during the quarter. While Q1 was partially impacted by seasonal and cyclical factors such as Eid festival related labor migration and the early arrival of monsoon in geographies of our presence. Our results reflect our resilience, through disciplined project management, prudent financial oversight, and strategic decision-making, we have continued to maintain the health of our balance sheet and ensure operational continuity across key projects.

These qualities remain central to our ability to create sustainable value for all our stakeholders. Looking ahead, we expect execution to ramp up significantly in the second half of current financial activities picks up after the monsoon. Several initiatives improved productivity and margins going forward. Over the past few years, we have been highly focused on optimizing our project portfolio to align with our strategic objectives. This has resulted in a meaningful increase in average project size, enabling us to better utilize resources and drive economies of scale, a conscious reduction in the number of active projects, which has improved our oversight and control, an increase in revenue contribution per project, boosting our overall productivity and significant improvements in execution speed and project management efficiency

Moderator: The first question comes from the line of Darshil Jhaveri from Crown Capital.

Darshil Jhaveri: So sir, I just wanted to ask, we mentioned in the presentation that we see robust revenue growth from H2. But as per our growth of 20% CAGR, so in the current year, in the 9 months, to reach 20%, we'll have to do around 25%, 27% of the growth. So are we -- how is it looking on track for us? Will we be able to do 20% growth this year?

Rohit Katyal: Of course, there's no doubt about it. So the quarter-1 generally should have been better by INR75 crores. We had severe monsoon starting in end of May, getting into June. While you know that in the last past 5 to 6 years, there's hardly been any monsoon during June month. So the last quarter was impacted.

And therefore, you will have strong momentum in the current quarter also because it's not only shell and core business that we do, we do projects which are finishing and interior works are not hampered by monsoons as such. And therefore, we do believe that without an iota of doubt, the company will achieve its full year's guidance.

Darshil Jhaveri: Okay. Okay. That's really great to know, sir. And sir, I just wanted to know, despite us giving some salary increments, our EBITDA was able to be on track, even more than what our guided range was there. So is there some specific product mix or there's some one-off or these are our optimization efforts that led us to have such a great margin, sir?

Rohit Katyal: Darshil, see, let me reiterated that our full year guidance remains at 16.5% to 17.5%. We have done better than that in most quarters, especially over the last 5 to 6 quarters. Having said that, I believe that a construction company's performance should not be seen or judged by one quarter. We do believe that over the 12 months ending 31st March '26, the company will perform better than what it has performed in the past.

Having said that, there is no onetime adjustment to anything. If you see on absolute terms, our finance cost has come down. With the increase in revenue, it will further drop as a percentage to top line. Similarly, even after giving increments, if we are achieving the full year's target as a percentage, that too will fall.

So there is no reason why the company should not achieve or surpass the EBITDA guideline for the full financial year. It would not be appropriate for me to mention about one particular quarter or the previous quarter or the quarter prior to that. Full year guidance will be maintained or bettered.

Darshil Jhaveri: Okay. Okay. That's really great to hear, sir. And sir, just wanted to know like how do we see the overall environment right now? Like we are sounding quite bullish on it, but on ground, like is there some issues that we are facing? Or -- just wanted to know how the macro environment to you is seeming, sir?

Rohit Katyal: So after all of us having seen COVID, and the NBFC crisis in 2018, '19, while we are optimistic, but we are cautiously optimistic. So we will continue to work for only those clients which suit our requirements, are ready to give that little bit of premium in exchange of quality construction to be done on time. That's number one. And that is reflective in the private sector clientele list, which we have, number one.

Similarly, it goes for government. And when we speak to you about optimism and our targets, obviously, we are talking about on the basis of the existing order book, which is in excess of INR11,000 crores, excluding the MHADA order, which has to be added, which means you have a visibility of 3 years or more very clearly. So the optimism comes from these parameters and the way the company has been executing. Hope to have answered your question.

Darshil Jhaveri: Yes, yes, that helps a lot. If I may, can I ask one more question, sir?

Rohit Katyal: Yes, please go on.

Darshil Jhaveri: Yes. So sir, even our order inflow has been quite good, sir, in the first quarter itself. So I just wanted to know what is our current bid pipeline? And like what do we envisage like in FY '26, our order inflow can be, sir?

Rohit Katyal: So we have already given a target for the current full year, which is about INR4,000 crores to INR4,500 crores. And we do believe that we should be able to surpass that, number one. Number two, bid pipeline is very strong. However, there is an opportunity after a long, long time to pick and choose, which the company has been successfully doing over the past 4 to 5 quarters.

Moderator: The next question comes from the line of Vansh Solanki from RSPN Ventures.

Vansh Solanki: Yes. So last quarter, we have changed our accounting policy and you have mentioned that INR12 crores of profit recognition was deferred under the new accounting policy. So how much of that portion of profit has accounted in this quarter? And my another question is that how much of -- is there any still deferred profit which is arrived in this quarter, which is deferred in quarter 2?

Rohit Katyal: So both your questions are the same. Number one, we had referred to two projects. One was Signature Global and the other was NBCC. Signature Global is in 2 phases. So Phase 1 under execution, we have started recognizing profit because the threshold has been crossed. As far as NBCC is concerned, we should start recognizing profit from quarter 2 onwards, that is the current quarter.

Vansh Solanki: Okay. So you have mentioned INR12 crores of profit recognition is pending. So can you give a quantum that how much is recognized in this quarter?

Rohit Katyal: So I don't have a specific project-wise breakup in front of me. I will request our IR agency to reply to your question by mail, sir.

Vansh Solanki: Okay. No problem. And one more is that you have mentioned that there is a decline because of monsoon and Eid...

Moderator: The next question comes from the line of Avnish Tiwari from Vaikarya.

Avnish Tiwari: My question was that what was a normalized run rate of monthly revenue you are at, if you were to exclude, let's say, vacation holiday impact and the monsoon impact? Maybe what was the run rate in July or whichever way you want to adjust for normalization?

- Rohit Katyal:** You see that the revenue targets are given for the full year, taking into consideration the heavy monsoons for over 2 to 2.5 months in Mumbai, where ideally generally on our experience, you lose 15 to 21 days every year. Similarly, during winters, you lose 10 to 15 days due to NGT and the stoppages in Northern India, including NCR. So the average, obviously, we just -- since we have done INR599 crores, the average is close to INR200 crores, which we seek to improve in quarter 2 and improve substantially starting quarter 3.
- Avnish Tiwari:** Right. So given...
- Moderator:** Mr. Tiwari, we are unable to hear you. The current participant is disconnected. We will move towards the next question. The next question comes from the line of Shreyans Mehta from Equirus.
- Shreyans Mehta:** Sir, how should one look at the execution from our CIDCO and MHADA projects?
- Rohit Katyal:** So it's the same, as I mentioned in the last earnings. CIDCO momentum continues and MHADA momentum will increase from quarter 3 onwards because the sale residential buildings, 6 of them have been allotted and work on three of them has started from piling perspective. And therefore, the execution, that is the actual structure of construction will start from quarter 3. So we obviously look at a very strong momentum in all our 3 big projects, CIDCO, NBCC and MHADA.
- Shreyans Mehta:** Any number, sir, if you would like -- I mean, what is our internal target for CIDCO, MHADA and NBCC in this 20% growth?
- Rohit Katyal:** Sir, can you please repeat the question?
- Shreyans Mehta:** The breakup, if possible, how much are we targeting from CIDCO, MHADA and NBCC absolute number?
- Rohit Katyal:** The absolute number, basically, see, we are committed to give more than INR700 crores to INR800 crores in CIDCO for the remaining period, all right? We are committed to do about INR350 crores as a subcontract that is in the books of Capacit'e Infraprojects Limited in MHADA. And obviously, we have to go to an average billing cycle of INR60 crores from October onwards in NBCC. So these are the broad numbers. You can multiply and you'll get the yearly number.
- Shreyans Mehta:** Sure. That's helpful. Sir, second question is in terms of our order book, how much would be fixed price contract and vehicle price contract?
- Rohit Katyal:** There is -- we don't do any work on fixed price contract.
- Shreyans Mehta:** So even NBCC would be a variable price contract?
- Rohit Katyal:** NBCC has a price escalation clause up to 3% every year. The contract is of 2 years. That is 3% is sufficient to take care of the movement in commodities.

- Shreyans Mehta:** Got it. Got it. Sure. And one last question from my side. How much capex have we done in 1Q? And what's the outlook for '26?
- Rohit Katyal:** The capex in the Q1 has been INR34.03 crores. And the full year, we look to this -- in the current financial year, go to approximately INR75 crores to INR80 crores.
- Moderator:** The next question comes from the line of Vasudev from Nuvama.
- Vasudev:** As you mentioned on MHADA, similarly, can you give for Signature Global as well, what execution run rate are we currently doing and how we plan to pick it up in Q2, Q3 onwards?
- Rohit Katyal:** So you see that in the current month, that is August, our target was INR15 crores. However, it's been pouring very heavily in Delhi at the moment in time over the last few days. So we do believe the momentum will pick up from next month onwards in Signature Global at full throttle, Being a shell and core business, it should give you about INR22 crores, INR23 crores of revenue per month.
- Vasudev:** Okay. And sir, are we L1 in any orders currently?
- Rohit Katyal:** So in private sector, there is no L1 concept. We are negotiating some very good orders. We have added Hinduja Group of UK to our portfolio already. And we do believe that over the next month or so, we should be in a position to announce a few projects with our existing clients in the private sector. In the government sector, we continue to bid for clients like IIT, NBCC and so on and so forth.
- And in government, as you are aware, while our target project size is about INR500 crores to INR600 crores, you still have competition. And you cannot be sure until the results are out. So yes, we have bid for the projects. To sum up, private sector, you will see a little bit of growth over the next 2 months which would normalize to 70-30 ratio over the year-end.
- Moderator:** The next question comes from the line of Shivom Revankar from Ascendia Expansion Solutions LLP.
- Shivom Revankar:** So my question was what would your outlook be on data centers, Rohit, because we are seeing some very strong momentum around that area and developments. I know you're doing some great work with BSNL. So do you have something in line already? Or are there any private players there? Or is it mostly government sector?
- Rohit Katyal:** So it will differ as far as we are seeing a huge traction. Am I audible?
- Shivom Revankar:** Yes, you are.
- Rohit Katyal:** Yes, we are seeing a very huge traction both in data centers, in private, more so, government as well and also in the private building space. We participated in Foxconn. Unfortunately, we couldn't match the commercials. And we will continue to participate in such projects going forward as well. So as far as data centers is concerned, yes, there is an opportunity. The last project which we bid has been recalled, and we are a qualified contender in that, and so we will be reparticipating in that project.

As far as the private sector side is concerned, the electromechanical part, the client tends to do themselves at times. So when the client tends to do that themselves, then our interest in such project falls because our interest is not to do only shell and core and finishing work. The interest in data center only swells the margins when you are doing the entire electromechanical part for which Capacit'e is well equipped.

So it will depend on a case-to-case basis. We are there present in all the subsegments of building construction and whichever opportunity gives and matches our margin profile requires lesser of labor as a resource, we will definitely look into it.

Shivom Revankar: I see. And any guidance on what portion of your INR3,000-plus crore orders that you are looking to add in this financial year, what portion of that could be possibly data centers?

Rohit Katyal: So I cannot comment on data centers alone, but I do believe that we will add something in health care. We will add -- most of it will come from mixed use. Because you see there is a remarkable shift in Mumbai, where you are seeing a lot of mixed use construction happening in South Mumbai as well. We are expecting to get repeat orders. The latest order from Hinduja also is a mixed use order with 20 floors comprising of commercial and 20 of residential. So you will see more such construction happening in Mumbai and such mature geographies.

Shivom Revankar: I see. Okay. Okay. Yes. One more question, Rohit, and that was, there was some profit recognition pending from the Maldives and Tata project, if I remember correctly?

Rohit Katyal: So Tata projects last year, we had recognized close to INR20 crores or thereabouts. And accordingly, it will be recognized at the JV level, and we will get our share. But yes, that share will rise substantially from the next financial year because the pre-operated expenses would have been written off.

Moderator: The next question comes from the line of Pradyumna Laddha from Flute Aura Private Limited.

Pradyumna Laddha: Sir, we had guided for around INR120 crores of recoveries during the year. I think we've recorded around INR10 crores of other income for this quarter. So is this mainly coming from FD interest and scrap sales? Or have we recorded any of those recoveries also in the INR10 crores?

Rohit Katyal: No, the recoveries have not been recorded. The target is INR65 crores, out of which in the second quarter, the company has sold properties of INR19.1 crores, has entered into a settlement agreement for which demand draft is lying with the solicitor. So we believe that second quarter, there will be a recovery of slow-moving debtors and noncore assets totaling to approximately INR27 crores, INR27.5 crores, which would mean nearly for 35% to 40% of the full year target.

Pradyumna Laddha: Got it. Understood. And I think the previous participant touched upon this, but we recorded somewhere around INR22 crores, INR23 crores of profit from the JVs in the previous financial year. Could you share what kind of ballpark number we're aiming for in FY '26?

Rohit Katyal: It is percentage completion, it will be similar to what we recorded. Again, our partner, Tata Projects Limited, as a policy, the profits are not recognized up to 10%. And therefore, a major -

- once we cross the threshold of 10% last financial year, the profitable profits were accrued. Profits accrue at 2 levels at the TCC Construction Private Limited level and then Tata Projects Capacit'e LLP level. So it will continue to accrue in the same fashion this year and over the next 4 to 5 years. But yes, the momentum will increase from next financial year once the preoperative are totally written off.

Pradyumna Laddha: So if the momentum is increasing next financial, can we expect similar numbers as the previous financial year in FY '26?

Rohit Katyal: Absolutely.

Pradyumna Laddha: And sir, just one last question from my end. You mentioned that the early monsoons had hindered some part of the progress we would have liked to make in this quarter. Hopefully, if given the early onset of the monsoon, it's also -- let's be hopeful that we -- there's an early withdrawal as well. So I read somewhere in the PPT that we're planning to really push the pedal in the second half of the year. But is it possible to make up some of the lost progress in Q2 itself if the is monsoon received earlier?

Rohit Katyal: We are hoping the same. We never expected monsoons to hit Mumbai on 27th of May 2025. We did not have monsoons in the whole of June over the last 4, 5 years. And therefore, we used to take October as a monsoon period. So since the onset has been early, we can only believe that the withdrawal also would be early. But having said that, we do believe that there will be year-on-year increase in quarter 2 and there will be substantial year-on-year and Q-on-Q increase in quarter 3, that we are absolutely sure about.

Pradyumna Laddha: Noted, sir. Sir, one last small question. The INR12 crores we deferred in profit from the previous quarter, has any similar deferred profit balance been created for the orders we've received in this period, keeping aside that INR12 crores, but any fresh balance...

Rohit Katyal: We haven't started any new project because the projects have just come, right? The projects will start giving revenue little bit in the second quarter and more so in quarter 3. And you see we only -- if the contract size is, let's say, INR500 crores, we don't see that it takes anything more than 4 months to start recognizing the profits. It's a practice which we have bought into place, and we will continue with that.

Moderator: The next question comes from the line of Hardik Mehta from Sirish Stock.

Hardik Mehta: Yes. So just wanted to know, in your presentation, you have mentioned work delays due to Eid, but Eid, I see, is a natural phenomenon and it shouldn't have been factored in earlier. So if the Eid is impacting Q1, won't Bihar election similarly impact Q3 and other festivals impacting Q2? So do you feel full year guidance will be achieved?

Rohit Katyal: You see that the migration this time was not experienced earlier. Now what happens is that the festivals which come in April, like the farm cutting festival or basically the yearly agricultural cutting for which a lot of migration happens, that's always factored in the system, okay? We don't see Bihar elections impacting much because a lot of workmen now comes from West Bengal, Orissa, UP and also Bihar. So I don't -- we don't see a major impact happening.

At the moment, we are close to 90%, 95% of labor requirement across our project sites. We have adopted very innovative ways of recruiting workmen, improving -- further improving their work conditions, adding lunch, dinners, breakfast to their -- as amenities is being provided to them. So we are very confident that the whole year target will be achieved like was done last year.

Moderator: The next question comes from the line of Dhruv Dasani from Next Step Advisors.

Dhruv Dasani So this year when your new auditor came, I read about the fact that INR63.61 crores and another INR11.55 crores, they said that the recovery of that is shown in trade receivables, but the recovery is questionable. So can you put some more light on that?

Rohit Katyal: This is coming from EY over the past 5 quarters. You may have a look at that. EY in quarter 4, which was their last quarter audit for financial year '24, '25 have mentioned INR66 crores, but also have mentioned along with that, the properties available with the company to cover this INR66 crores, which are in excess of INR100 crores.

So while INR66 crores has not been received, the company through various agreements, agreement to sale and so on and so forth, has properties close to -- in excess of INR100 crores to cover this INR66 crores. I hope to have been explained the questions.

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

Rahul Kumar: Sir, I think you mentioned this before, but for the second half of this year, assuming your 20% growth target, would it be fair to say that you can record INR1,500 crores plus kind of revenues?

Rohit Katyal: You can record what?

Rahul Kumar: INR1,500 crores plus kind of revenues in second half?

Rohit Katyal: We have to and there is no doubt that we won't because all the projects, what we are discussing and the company already has in its portfolio are fully manned and operational. And therefore, with the targets which we have given to the client, it's only imperative that we have to achieve those targets and those targets are much higher than what we have given as an indication to our investors.

Rahul Kumar: Okay. And sir, second question is, I think in the last quarter, when you have changed the accounting norms, I think you have mentioned some costs which are booked and profit related to that was not booked. And you mentioned the figure of INR95 crores...

Rohit Katyal: Yes, that's right.

Rahul Kumar: What would be the tax figures for this quarter?

Rohit Katyal: What is the tax figures?

Rahul Kumar: No, what is that cost figure which you have not booked the profit related to that in this quarter?

Rohit Katyal: So I just mentioned that we have started recognizing profit on Signature Global. This project is in 2 phases, INR600 crores into 2. And therefore, the Phase 1 profit has started to be recognized, number one. NBCC has not been recognized. However, the project will achieve that 10% level of more than INR100 crores in the current quarter.

And therefore, we shall start recognizing profit from the current quarter itself. New projects, which will start in quarter 2 are very miniscule because we have just received them. The revenue -- meaningful revenue will only be recognized or meaningful cost would only be expended from quarter 3 onwards.

Rahul Kumar: Okay. Okay. And for the orders which you have won this quarter and the previous quarter, how different are the margins and payment terms versus, let's say, the projects which you would have won in the, let's say, FY '25?

Rohit Katyal: No change. If the payment terms are not better, we would like to remain away from those orders. Every quarter, I have said and I reiterate that the quality of clients and the commercial terms cannot change. We have burned our fingers during the NBFC crisis and the COVID aftermath and a substantial amount of our money got stuck. We would not like to do the same mistake again.

Rahul Kumar: Okay. Okay. And for this quarter itself, what would have been the operating cash flow generation and the movement in the working capital versus, let's say, Q4 FY '25?

Rohit Katyal: So the details are not in front of me. However, I will tell my IR to give you the details via separate mail. I hope that will be fine.

Moderator: The next question comes from the line of Tejas Khandelwal: from Prudent Equity.

Tejas Khandelwal: Yes. So I just wanted to understand, sir, that in the last couple of quarters, the company has not been able to meet its guidance. And each time there have been different reasons like few quarters back, there was onetime expense and then in last quarter, in Q4, there was a sudden change in revenue recognition.

And then in this quarter, there is early monsoon and even this Eid-related labor expense. But we have seen it in previous year also, but we still managed to grow. So you don't sound very bullish as you were sounding earlier, sir. You have also reduced your guidance?

Rohit Katyal: I'm sorry, sir, I don't agree with that. We guided for INR2,250 crores. We did INR2,400 crores last year. I have maintained that quarter-on-quarter should not be compared for a construction company. Whatever full year guidance from EBITDA, PAT, cash PAT, top line was given has been achieved. All right?

Tejas Khandelwal: Yes. A few quarters back, you were guiding for 25% growth, 25% plus?

Rohit Katyal: One minute, sir. I again repeat that we have given a guidance last quarter for the full financial year. And I would appreciate the guidance being looked at the full financial year. The company

and the management has put serious efforts, and we have more than achieved the last year guidance on all parameters.

For the first time, we have crossed INR200 crores in PAT on a consolidated basis, which was a 65% increase over the corresponding period of last year, that is of 24%. Now if that is not growth, and that is not me sounding bullish, I don't know what it is then.

Tejas Khandelwal:

No, I'm not talking about last year. So last year, we grew in first 9 months, but in the last quarter also, so you had given guidance for INR700 crores for last quarter, then we were not able -- we didn't able to meet that guidance. Then there was some accounting change in revenue recognition.

And then this quarter also, we didn't grow, but -- and this quarter also, there is excuse of this early monsoon and this Eid-related labor issues. But what I'm trying to understand is there was the heavy monsoon last year also, and there was Eid last year also, but we still managed to grow?

Rohit Katyal:

Sir, I have not followed your question, sir, because I don't understand. Last year, there was no monsoon in June. It's a matter of fact. This year, the monsoon onset was on 27th of May. Again, this is a fact. However, having said that, I do not see when a company is making more than 7.53% on PAT levels, and we say there is no growth, I mean, it's surprising. Last year, yes, last quarter was 9.24%. But we are again and again guiding for the full year. I will not be able to guide quarter-wise. So if 7.84% net profit after tax is low, I have no comments to make, sir.

Moderator:

The next question comes from the line of Jainish Shah, an Individual Investor.

Jainish Shah:

So there are a couple of questions. One is -- my question is regarding the working capital. I think last year, if you see, there's a substantial improvement -- increase in the receivables from close to INR5-odd crores to almost INR1,000 crores. My question is more regarding this current year cash flow, how does it mean, like to what extent that recovery has been?

And when you are looking at, let's say, working capital, I think you've been guiding for working capital improvement all over the last 2, 3 years that the business will grow, but the working capital will also improve the working capital base.

If you can give a little understanding as to how far that journey has been on track? And second is when we are looking at the working capital of 2 different segments, especially the private sector and the public sector company, is there a difference in both of these kind of -- in the working capital? That's one part.

Second is on the working -- on the workers, basically, I think you have been alluding to the shortages of workers and many industry players have also been alluding to the same problem. My question is, is the problem within the estimated limits that you have seen? Or is it more than what probably got -- because I think when we are looking at the growth ahead, this could be a real challenge in terms of managing your -- managing the requirement.

How are you envisaging it for next 2 years when you're looking at your growth journey on this? Is it going to be a bigger challenge in terms of managing your margin and growth? That would be the 2 questions that I would like to get some clarification.

Rohit Katyal:

Yes, very good questions. Enjoyed it, lovely questions. So number one, the working capital, which was on -- excluding retention, 172.44 days as on 31st March '25 has not increased in quarter 1. The total collections in quarter 1 as against the revenue of INR599 crores stood at INR543 crores which is a significant improvement.

Number two, you have seen increase in debtors in quarter 4 of last financial year, and therefore, this improvement in collection. As I speak to you today, our collection is close to INR756 crores. So there is a substantial improvement in collection over the last financial year, where after a long time after adjustments, we generated INR54 crores positive cash flow, all right?

We do believe that this positive cash flow will improve substantially in the current financial year, and that can only improve with collections going forward. And the very fact that a substantial portion of WIP or contract assets has got converted into debtors, the improved collections are only a reflection of that WIP or contract assets getting converted into debtors. That's point number one.

Point number two is that working capital is different for EPC projects and non-EPC projects. Non-EPC projects will have a lower working -- net working capital, whereas EPC projects, the payment could be front-ended, which is never the case in government, it's generally back-ended. So you execute the work and the payment comes through on a monthly basis on achievement on a particular milestone, all right?

So this is a difference between an EPC and a non-EPC. Non-EPC means BOQ rate tenders. So your answer to your question is, yes, the working capital cycle will be more elongated though there is substantial scope of improvement, as I've always mentioned and reiterate that as opposed to a BOQ or a non-EPC project.

Your next question was in relation to workmen. Is that an issue? It's a big issue. We are all, right from Larsen & Toubro, whether it is Tata Projects, whether it is any other building construction player or for that matter, any big infra player, is saddled with this issue.

The task with what they are doing today is trying to go in for composite construction with use of composite steel so that the manpower requirement can come down, trying to take a good mix of projects between commercial and residential because the requirement of manpower or blue collar is much higher in residential as opposed to commercial.

So this is a challenge, and we are all not facing this challenge from today. We are facing this challenge from the last 2 years. Had this challenge not been there, we would be discussing growth of 30%, 35%, if not more. But this challenge is there because there is a huge demand from Middle East. There's also demand coming in from Eastern Europe. And therefore, it is not easy to just lap up all the projects that come your way. You have to look, analyze, and then grow.

So the growth targets what we have given have factored this peculiar problem, which we don't believe is going to end in a hurry. It will take time. While we have a lot of young population, we are in dearth of trained population in this segment of manpower requirement. So we will do whatever innovation it requires, and we will do whatever it takes to achieve the targets.

But having said that, targets could have been much higher had the labor availability been not a question mark. So answering your question that workmen will not impact our revenue target, but the revenue target could have been much higher had this challenge not been there. Hope to have answered.

Moderator: The next question comes from the line of Harshil Kothari, an Individual Investor.

Harshil Kothari: Can you please shed some light on the pledge percentage? Even if we have the net debt to equity of just 0.1%, why the pledge percentage is so much? I mean, almost 100% is pledged. Can you just shed some light on that?

Rohit Katyal: The net debt to equity is the fund-based debt. Total debt profile also has bank guarantees. Banks want securities for nonfund-based limits like bank guarantee as well. And therefore, the promoters who basically started out as professionals in 2012, '13 have given a pledge of 50 lakh shares for project-specific limit of CIDCO to State Bank of India.

Apart from there, there was a pledge of shares with Avendus, which has reduced by INR5 lakhs -- 10 lakh shares, I'm sorry. And we believe that this reduction will be much more aggressive over the next 2 quarters. We do believe that by the end of the current financial year, there will not be any pledge with any other entity except State Bank of India for the project-specific limit of CIDCO.

Harshil Kothari: Great. And regarding this working capital, can I say that the payment from CIDCO is highly late or something like that compared to other...

Rohit Katyal: The payment from CIDCO is very, very prompt. This can be confirmed by my other competitors as well. We have said that the WIP or the contract assets created towards extra work done, towards milestone payments which will get recorded. For example, 3% is payable on the handover of the building. Now that work is done. For handover, you don't spend money, but you get the money. Am I right? So it's the nature of the billing.

And since suddenly in 3.5 years from 0 EPC, your company has gone to 70% or more in EPC. You will have certain contract assets built up while we are doing our best efforts to get this reduced to the largest possibility, and you will see significant improvement in the current financial year.

Moderator: The next question comes from the line of Shivom Revankar from Ascendia Expansion Solutions LLP.

Shivom Revankar: Rohit, it's Shivom again here. So my question was around -- there were some light that you threw on the efficiency gains you've been playing with to increase and to tackle with the labor issue. Around the same lines which Ashutosh Katyal who is your CTO, has done some work on the

eFORCE application to manage that problem. Can you explain how that plays around? I mean, are you able to quantify the productivity it brings into the business?

Rohit Katyal:

So eFORCE is an app which we use across our project sites for these following things. Number one, boots on grounds; number two, what is the output that comes out and therefore, the productivity per workmen at the project site. Number three, once you have measured the productivity, it gives a more sensible -- more detailed information to the operations team where their efficiencies have to improve.

So eFORCE is not a labor deployment platform. It is basically a workmen management platform, which means once the labor contractor has onboarded the project site, all the data is available on one click in the morning to measure the workmen across each project site and across all projects of the company, boots on ground, what work is done and therefore, the productivity.

As far as recruiting labor contractor is concerned, that is the job of our LRD, Labor Resource Department, who has been doing a very brilliant job over the last couple of quarters. As I just told you, all the projects at the moment are 90% to 95% manned.

And therefore, these 2 things; one, the eFORCE app and secondly, the LRD combined, while I don't refuse that there is a lot of opportunity to improve upon both eFORCE and our LRD going forward with various tools which are coming up, there will be substantial improvement, which will go through and therefore, help the company having a more stabilized labor or blue-collared workforce. But at the moment, this is what eFORCE is about.

Shivom Revankar:

And my other question was what is the current interest rates for the company, Rohit?

Rohit Katyal:

So the working -- see, cash credit limits, interest have come down to 10.3%. We see further improvement over the -- getting into the next quarter. That's number one. The non-convertible debentures, which we had taken from certain -- which is high interest-bearing, upward of 13% is only about INR61 crores as against INR100 crores outstanding.

And we hope that over the next quarter or 2, that is totally removed from our balance sheet and the average interest should not be more than 10% for the company. And therefore, I gave a guidance that on an absolute basis, the total finance cost would be lower in the current financial year as opposed to last financial year.

Moderator:

As there are no further questions from the participants, I now hand the conference over to Mr. Rohit Katyal for closing comments. Thank you, and over to you, sir.

Rohit Katyal:

I would like to once again thank all of you for joining us today. We hope we have been able to address your queries and provide useful insights into our performance and future outlook. If you have any further questions or require additional information, please feel free to reach out to our Investor Relations team. Thank you once again for your time and continued support. Good evening and good night.

Moderator:

Thank you. On behalf of Capacit'e Infraprojects Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.