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May 25, 2026

BSE Limited

P.J. Towers
Dalal Street
Mumbai- 400 001

National Stock Exchange of India Limited

Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (E)
Mumbai - 400 051

Scrip code: 540710

Symbol: CAPACITE

Sub: Transcript of Earnings Call Q4 FY26

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 May 18, 2026, we hereby enclose transcript of the earnings call held on Thursday, May 21, 2026, on operational and financial performance of the Company for the fourth quarter (Q4) and year ended March 31, 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

Company Secretary and Compliance Officer

Encl: a/a

Capacit'e Infraprojects Limited

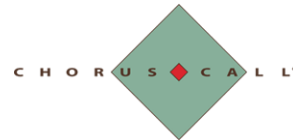
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“Capacit'e Infraprojects Limited
Q4 FY '26 Earnings Conference Call”

May 21, 2026



**MANAGEMENT: MR. ROHIT KATYAL – EXECUTIVE DIRECTOR AND
CHIEF FINANCIAL OFFICER – CAPACIT'E
INFRAPROJECTS LIMITED
MR. RAJESH DAS -- CHIEF FINANCIAL OFFICER --
CAPACIT'E INFRAPROJECTS LIMITED
MR. ALOK MEHROTRA – ED, FINANCE – CAPACIT'E
INFRAPROJECTS LIMITED
MR. NISHITH PUJARY – ED, 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 Q4 and 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.

Before we begin, a brief disclaimer, the presentation with Capacite Infra Projects Limited has uploaded on the Stock Exchange and their website, including the discussion during this call contains or may contain certain forward-looking statements concerning Capacit'e Infra Projects Limited business prospects and profitability which are subject to several risks and uncertainties and the actual result could materially differ from those in such forward-looking statements. Should you need assistance during this conference call, please signal an operator by pressing star, then zero on your touch-tone phone. Please note that this conference has been recorded.

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

Rohit Katyal: Good morning. On behalf of Capacit'e, I extend a warm welcome to all participants on our Q4 and FY '26 earnings conference call. Joining me today are Rajesh Das, CFO Mr. Alok Mehrotra, Mr. Nishith Pujary and our Investor Relations team from Marathon Capital. I trust you've 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 website.

FY '26 marked a defining year for the company, setting new benchmarks across execution, operational efficiency and business development. The year underscored our strengthened execution capabilities across project sites and reinforced our track record of delivering consistent performance and scale. Despite temporary disruptions arising due to local elections in the MMR region and the labor migration linked to assembly election, project execution remained resilient across geographies. With execution momentum normalized and further strengthened, we are well positioned to accelerate project progress meaningfully in FY '27.

Some of the key updates. Order inflow during FY '26 stood at INR4,446 crores, exceeding our full year guidance inflow of INR3,500 crores. Supported by a strong pipeline of quality bids, we remain highly optimistic about order inflows during FY '27. The company has realized aggregate INR44 crores during FY '26 against disposal of noncore assets or properties. The company is expected to realize INR50 crores in FY '27 from sale of noncore assets.

The year saw a significant reduction in working capital days by 43 days on back of improved debtor collection. Net cash from operating activities stood at INR224 crores in FY '26 as compared to INR52 crores in FY '25. The company's bank rating has been upgraded to BBB+, signifying overall improving credit profile. The assessed working capital limits, fund-based and non-fund-based, stand fully tied up, providing clear headroom to boost execution in the coming year. This strengthens our capacity to deliver on growth plans and drive stronger performance ahead.

It is pertinent to note that the ongoing geopolitical challenges have resulted in steep increase in prices of commodities, including aluminum, copper and likewise, inputs. The company has

witnessed nearly 18% rise in the prices of electrical items, aluminum product items over the last 3 months, starting February 26 to April 26. While electrical commodities are lower as a total input cost and while they are covered under escalation, the upward movement in escalation was only 2% in February and March '26.

While significant increase in price has been witnessed for April 26 in the wholesale price index, the company, as a prudent measure, has factored INR10 crores in procurement cost in FY26. If the escalation receivable from the client matches this increase overall over the next 2 quarters, the provisions so made will be reversed. Considering the current situation, the EBITDA guidance for the full financial year '26, '27 will be in the range of 15.5% to 16.5%. However, if the global uncertainties cease over the next few weeks, a couple of months, the guidance will be restored to 16.5% to 17.5%.

I now turn to the consolidated performance highlights for Q4 FY '26. Revenue for Q4 FY '26 stood at INR712 crores, up by 6% compared to INR671 crores in Q4 FY '25. EBITDA for Q4 FY '26 stood at INR109 crores, up by 27% as compared to INR86 crores in Q4 FY '25. EBITDA margin for Q4 FY '26 stood at 15.3% compared to 12.8% in Q4 FY '25. EBIT for Q4 FY '26 stood at INR84 crores down by 11% as compared to INR93 crores in Q4 FY '25. The reduction was primarily on account of reduction in other income to INR1.5 crores in Q4 FY '26 from INR33.5 crores in Q4 FY '25. EBIT margin for Q4 FY '26 stood at 11.7%.

PAT for the Q4 FY '26 stood at INR45 crores as compared to INR53 crores in Q4 FY '25. The reduction was primarily on account of reduction in other income. PAT margin for Q4 FY '26 stood at 6.2%. For the year, consolidated performance, revenue from operations for FY '26 stood at INR2,623 crores, up by 12% as compared to INR2,350 crores in FY '25. EBITDA for the year FY '26 stood at INR427 crores, up 13% compared to INR379 crores in FY '25.

EBITDA margin for the full year FY '26 stood at 16.3%, around our guided range. EBIT for FY '26 stood at INR349 crores, up by 2% as compared to INR342 crores in FY '25. EBIT margin for FY '26 came in at 13.2% as compared to 14.2%. The reduction was primarily on account of reduction in other income to INR21 crores in FY '26 as compared to INR58 crores in FY '25. PAT for FY '26 stood at INR193 crores. PAT margin in FY '26 stood at 7.3%.

The gross debt stood at 0.25x and the net debt to equity stood at 0.10x. Net turnover ratio of core assets stood at 5.2x for FY '26, in line with 5.2x for FY '25. The company continued its focus on increasing execution across projects, which will further improve this utilization. Order book on standalone basis stood at INR13,498 crores as on 31st March '26. Public sector accounts for 57%, while private sector accounts for 43% of the total order book.

I now leave the floor open for questions.

Moderator:

Thank you very much. We have the first question from the line of Jainam Jain from DAM Capital. Please go ahead.

Jainam Jain:

Sir, my first question is how are you seeing the impact of war and increasing commodity pricing on our execution and profitability of our projects? Are the projects on a fixed cost basis, or how is it technically?

Rohit Katyal: So while our projects in the private sector have 100% pass-through for commodities, and the government sector, we are covered by escalation in all our projects, however, the increase in the escalation indices is not matching with the actual price increase, as I mentioned in my opening remarks, especially pertaining to products in electrical and aluminum formwork, which have inputs of copper and aluminum, which have increased drastically.

Now the escalation at the moment is not covering up, but we have seen an upward trend of 8% in April and the escalation increase in May also will be there because of the fuel price increases. So therefore, we have taken a provision of INR10 crores at the moment in the last quarter towards covering these price increases. Now if the price escalation matches the increase over the next 2 quarters, then this provision will be reversed. Or if the war gets over very quickly, it has lasted more than what everyone anticipated, but yes, there will be an impact.

As I already explained, the current escalation for electrical goods -- although WPI published by the Office of Economic Adviser is 8%, while the price increases have been around 18% to 20%, though it is more seen in the electrical and aluminum products, but how much it will spread to other commodities is yet to be seen.

Jainam Jain: Okay. And so, in our contracts, what is the variation over which this escalation clause gets escalated?

Rohit Katyal: Please repeat your question.

Jainam Jain: So, in our contracts, what is the minimum escalation in the WPI after which the escalation clause in the prices gets escalated?

Rohit Katyal: There's no minimum clause as such. Whatever the base index is the month prior to which a tender was quoted or submitted. I'm talking about government contracts. As in, every quarter, the average of the 3 months is taken and escalation is paid. So, if the escalation is 5%, it is paid as 5%, if it is 10%. So, in our contracts, we have escalations which are ranging between 30% to as low as 6% because last 1.5 years, for whatever reasons, there's hardly been any movement in the price escalation.

The movement has only come in, in March and April. So now we will see escalation go up. As explained, whether it will cover for the increase which has happened from February to April in entirety is yet to be seen, and therefore, the provision of INR10 crores.

Jainam Jain: Okay, sir. Thank you for the opportunity. Thank you.

Moderator: Thank you. We will take the next question from the line of Vaibhav Shah from JM Financial. Please go ahead.

Vaibhav Shah: Sir, you mentioned that we are targeting close to INR50 crores of noncore asset sales in FY '27. So, what could be the entire value as of March '26 in the books?

- Rohit Katyal:** So, as I told last time, we started the entire effort with the INR200 crores of noncore assets, which were acquired through court cases starting post-COVID. Out of that, we have already sold INR60 crores or more in overall till date. Another INR50 crores is targeted for the current year. And the remainder, that is about INR90 crores, will be taken care over the next 24 months or so. So, this is our target, but we are well within the target guidelines and timelines internally and as committed to our shareholders.
- Vaibhav Shah:** Okay. So secondly, on revenue side, what kind of revenue are we targeting at standalone level in FY '27?
- Rohit Katyal:** Over the next 2 years, we are seeing that -- we are giving a guidance of 20% revenue growth year-on-year. And the order book, which currently company has, completely backs up this guidance with some headroom for betterment.
- Vaibhav Shah:** Okay. Sir, lastly, any update on CIDCO? And what revenue are we targeting from CIDCO and MHADA in FY '27? Which sites are operational now?
- Rohit Katyal:** So, all projects are operational. MHADA has opened up big time. So, we will see a substantial uptick in MHADA project. We will also see an uptick in the 6 locations. 2 locations are under handover in the current month. 4 locations will also see a substantial uptick. We should be close to INR500 crores to INR600 crores in CIDCO, and we should be close to INR350 crores to INR400 crores in MHADA.
- However, apart from this, the huge revenues are anticipated from Downtown 25, from NBCC, Signature Global. We also anticipate substantial revenues upward of INR25 crores, INR30 crores from our key client, Raymond. So, there are sufficient projects on the books of the company under execution, which will add substantially to the revenue. So, if you look into the company's order book, the top 10 projects give 92% of the top line. So, the company is focusing on meaningful size of the projects now and going forward as well, and therefore, the guidance.
- Vaibhav Shah:** Okay. And sir, lastly, we have seen in the news article that GRAP again has been implemented in Delhi-NCR. So could it impact the execution at least in 1Q?
- Rohit Katyal:** See, at the moment, I don't have any news for Gurgaon and Haryana and Noida. The projects are working. The impact was due to the elections in West Bengal, and that saw a huge exodus of labor, but now it has stabilized. But on the GRAP, there was no such stoppage from April till today.
- Vaibhav Shah:** So, what was the order book from NCR and Gurgaon, Haryana?
- Rohit Katyal:** So, Haryana -- the total NCR, Haryana, Gurgaon, Noida, UP put together, in private sector, we have close to INR1,000 crores -- sorry, INR1,500 crores order backlog. And in public sector, we have close to INR800 crores, NBCC.
- Vaibhav Shah:** Thank you, sir. Those are my questions.

- Moderator:** Thank you. We will take the next question from the line of Vasudev from Nuvama Wealth.
- Vasudev:** Yes, thank you for the opportunity. Sir, you mentioned about the MHADA and CIDCO. Similarly, can you also guide us on Signature Global and NBCC, what kind of revenues, sir, are we projecting in FY '27 in these 2 projects?
- Rohit Katyal:** So, I do not have the exact details project-wise. Because CIDCO and MHADA are the largest, we have the details on the back of our palms. However, you can just drop a mail to our Investor Relations, and they will immediately give you the top 5 or 6 projects' revenue guidance for the current year.
- Vasudev:** Sure, sir. And if you can just let us know about the capex we did in Q4 and how much are we targeting for the next year?
- Rohit Katyal:** Just a sec, please. Last year, the addition was INR67.81 crores in quarter 4, right? And the additions for the full year was INR147.33 crores. For the current financial year, our target towards capex, mainly coming from aluminum formwork, jump-form will be close to about INR165 crores.
- Vasudev:** Okay. Sure, sir. And lastly, on the order intake front, now that we've surpassed our guidance, we have a quite healthy order book. So how are we looking at it for the next year?
- Rohit Katyal:** I'll give you a range of INR4,500 crores to INR5,000 crores, and we are well on track to achieve that.
- Vasudev:** Got it, sir. Thank you. That's it from my side.
- Moderator:** Thank you. We will take the next question from the line of Darshil Jhaveri from Crown Capital. Please go ahead.
- Darshil Jhaveri:** Hello. Good morning, sir. Thank you so much for letting me ask a question, sir. Firstly, congratulations on a great set of results, sir. Sir, yes, so I just wanted to understand like we've clearly laid out our Vision 2028, but with the order book and the order intake that we are targeting for, is it possible that even if you've given a bit conservative guidance in terms of revenue, like our 20%, we could easily surpass to 30%, right, like -- or at least come 25%, 30% range. Would that be a fair aspiration for us at least, sir?
- Rohit Katyal:** Yes. Thank you, first of all. And you are right, but the current geopolitical conditions, what are surrounding all of us, do not allow me to give you an upward number. On a Lower base say if we were at INR1,200 crores, giving 30% was logical. At INR2,700 crores, giving 30% in such situations, which have been declared as emergency by the Central Government of India, I don't think it would be appropriate. But if we do better, it will be a sweet dish, which will be a good sweet for all of us, management and the investors.
- Darshil Jhaveri:** Okay. Okay, sir. But just to give example, sir, if you would have gone -- we were in the February where the war wasn't there and with the order inflow, we would be confident about it. I'm not asking for a guidance or something, but in general, just be confident for a higher...

- Rohit Katyal:** Of course, of course.
- Darshil Jhaveri:** Yes, yes. That helps a lot, sir. And just wanted to understand, you've reduced our working capital and our interest cost significantly. So going forward, what kind of finance cost run rate can we see, sir?
- Rohit Katyal:** See, we have given a guidance that over the next two years, we would like to come to pre-COVID levels. So the reduction in working capital days, excluding retention, it has come down by more than 50 days. And net working capital has come down by, including retentions by across 42, 43 days.
- Now there's a substantial jump in a 12-month period. Over the next 8 quarters, you will see we achieving that what we were talking about net working capital of 56 to 60 days. Now what will this do? Obviously, this will reduce the debt as well, considering that we maintain our creditor levels and reduce our debtor levels, okay?
- And second part to it is that the finance cost on the uptick in the rating has ensured that the interest cost over the last 15 months has come down from 12.65% to 9.65%. Going forward, if the RBI maintains their margin rates, we further see a reduction in that. The commissions on bank guarantees have nearly halved.
- So the current year, you will see an absolute drop in, on an absolute level, a drop in the overall finance cost, including the advances on which interest is payable, all right? So yes, you can take it from us that on an absolute basis, the company will exhibit reduction in finance cost by maybe INR6 crores to INR8 crores for the full year.
- Darshil Jhaveri:** Okay. That is really great. That's it from my side. Thank you so much. All the best.
- Moderator:** Thank you. We will take the next question from the line of Diwakar Rana from Prudent Equity. Please go ahead.
- Diwakar Rana:** Can you hear me?
- Rohit Katyal:** Yes I can.
- Diwakar Rana:** So sir, in last corporate con call, you mentioned that you will report the highest record quarterly revenue in March 2026. And in this quarter, you had reported a 6% growth, which is the lowest in last 10, 15 quarters. So what are the reasons basically apart from the geopolitical issues that you talk about?
- Rohit Katyal:** Yes Hi. So we have shown a growth over the last 10 consecutive quarters, right?
- Diwakar Rana:** Yes. But sir, this is the lowest growth that you have reported in the March quarter. In March 2023, you reported 28%. Following that, 34% then 12%. And this year, when you said in the last con call, you said we'll report record revenue in March quarter. You had reported the lowest growth.

Rohit Katyal: When we say record quarter, we are talking on absolute numbers, sir. So the point is that the company for the full year on an overall basis has shown the company's growth. We have already informed in my last answer that the impact came due to the elections in March due to West Bengal, which saw serious migration of labour, which was much more than anticipated.

So yes, the company has lost revenue of close to INR45 crores, INR50 crores, but then we would not like to put that an excuse because let's face the fact, in India, going forward, we will have to factor in a loss of 30 days due to elections, another 30 days due to NGT or environmental issues. So we wouldn't like to make that excuse anymore.

Yes, we are lower than what we had anticipated due to shortfall of labour at various sites, both in North zone and West zone. However, going forward, that has been factored in. And of course, with our order book and our guidance of 20%, FY27 and FY28, robust increase in top line and corresponding bottom line will be visible.

Diwakar Rana: Sir, in last con call, in last quarter, you lost, I think, around INR100 crores of revenue due to migration and environmental issues. And this quarter, you are saying you have lost INR45 crores. Am I right?

Rohit Katyal: It is not we. It is the entire industry. It is not pertaining to us alone. There is shortfall of labour.

Diwakar Rana: No, I'm talking about Capacit'e Infraprojects. And so as such, how much revenue Capacit'e lost in Q4 of this financial year?

Rohit Katyal: In the whole of financial year, it will be about INR125 crores.

Diwakar Rana: In this quarter, sir, in March?

Rohit Katyal: I just mentioned, about INR40 crores to INR45 crores.

Diwakar Rana: Due to migration. But in last con call, you had mentioned that now the situation has normalized. Even in February 12, the last con call you held, you said on the record that everything has been normalized. And you are still saying that we have lost the revenue due to migration issues.

Rohit Katyal: Sir, sir, sir, one minute please. Understand my answer first. We discussed on 12 February, all right? The elections came thereafter. I just said the migration was much more than all the companies, including us, expected, all right? And there were, further attributing was the BMC elections in Mumbai. However, we do concur that the migration was much more than what we anticipated, and hence, the impact. I started my answer by saying we do not want to give it as an excuse, but you want to be specific, and therefore, I'm giving a specific answer.

Diwakar Rana: Fine sir. But, let's say, why don't we check all these things, then we give the guidance? We started with 20% growth and peaked by Q2. I asked this question in the last con call that how growth you will report. And you said we will report 18% growth for full financial year if we report revenue from JV, right? You gave a reason that if we report a revenue from JV, we will report 18% growth. And so how much revenue that we have reported from JV? Because this

year, the growth is 11%, which is less I believe. And on this standalone, that said, you have grown by only 2%.

Rohit Katyal:

See, sir, our consolidated financials are the projects which we are executing by taking joint venture from only consultants. So therefore, Bhandup project of Capacit'e e-governance, we own 96% of the controlling stake, all right? So 96% of the revenue gets added over there. Similarly, in the Maldives project, or for that matter, only project where we hold 49% is the project of National High Speed Rail railway stations. So the point is that while we had guided for 18%, you cannot rule out the geopolitical conditions where we are in.

The company has ticked all the boxes. We are market leaders in EBITDA. We are one of the top end in the, our industry for PAT. We are the top end in our industry for cash PAT. We have reduced our net working capital days, excluding retention, by 50 days. Our cash flows have improved from INR52 crores to INR240 crores. So the parameter is that if a revenue loss has happened and if we have exceeded everywhere else on our guidance, if not appreciated, it should not be depreciated.

Diwakar Rana:

It is appreciated, sir, because there are a lot of, let's say, companies that have reported single-digit revenue growth for this financial year and you had reported 11%. That is appreciated, but.

Rohit Katyal:

Not only revenue. What I'm trying to tell you is not the revenue growth, the balance sheet. Look at our reduction in working capital days. Look at our cash flows, which have increased from INR52 crores to INR230-plus crores after adjustments of working capital. Look at our debtor level, which has decreased on a top line increase of 11%. So the parameters for, as an organization and as a management, revenue growth cannot come at the cost of depleting other ratios. We have increased 11%.

I do admit it is lower than our own expectations, but that is not a cause of concern because the order book, our execution strength stands stabilized. And therefore, given the order book, which we took of INR4,400 crores and we have started the current year with a strong note as well, we do believe that the revenues from Raymond, revenues from Signature Global, but since now Phase 2 has started, Signature, sorry, revenues from NBCC will see a kick start. You have to remember that only one project could not start last year of IIT because of tree-cutting permissions, which are in the scope of the client.

Now whatever revenue was projected from there could not happen. There, the government client would take 6 months to get tree-cutting permission, which is still pending, is not in our hands. So there are ifs and buts. However, we do not want to give any excuses. We did not achieve the revenue for the full year to our own expectations, but yes, on all other parameters, we have exceeded our guidance.

Diwakar Rana:

Okay sir, for FY27, you are giving 20% revenue guidance, right?

Rohit Katyal:

That's true.

Moderator: Sorry to interrupt in between, Diwakar, I will request you to please re-join the queue again, as there are participants waiting for their turn. Thank you. We will take the next question from the line of Rahul Kumar from Vaikarya Fund. Please go ahead.

Rahul Kumar: Hi. Actually, congratulations for the strong quarter even in this difficult time. I think that is commendable. I just have a question on your guidance of EBITDA margin, which you mentioned that 15.5% if the war continues. So can you help us understand, I mean, even in this quarter also, we had 15.3% operating margin. So are we assuming any escalation in this guidance of 15.5%?

Rohit Katyal: Yes. So you see that if the escalations in the government contracts do not match the actual price increase, which has happened over the last three months, there will be an impact for everyone. So that will be an industry phenomenon. However, as I speak to you in May, we have seen the escalation increase by 8, I'm talking about not, I'm talking about the wholesale price index, by nearly 8% over 1 month, that is in April.

With the fuel prices kicking in, in the current month, it will rise further by a similar percentage or plus and minus 5% in April, which will be, or in May, which will be published in June. Now that number, what comes in will actually be, I will be able to tell you whether the guidance will be 15.5% to 16% or whether it will be 16.5% to 17.5%. But as a prudent step, we have incorporated INR10 crores impact in March numbers for what would happen in the coming quarter or two.

Will it be reversed? Yes, if the war gets over, fuel prices come down, aluminium and copper prices come down, and therefore, the electrical goods' prices come down. If that does not happen, then it is anyone's guess, I will only be able to give you a clear picture at the end of quarter one earliest or quarter two latest.

Rahul Kumar: Okay. Okay. So are you saying that the worst case for you is 15.5% operating margin?

Rohit Katyal: Yes, 15.5% as we can see today. But now if the USD goes to INR150, I do not know. Or the fuel prices go to INR200, it's anyone's guess. Please try to understand that the government needs INR15 increase in diesel prices and much more than that in petrol prices to cover up their losses. Now they have so far restrained that, and therefore, the food inflation is limited. But the escalation or the inflation in industrial goods is much, much higher.

It is not impacting the common public at the moment, but definitely, it is impacting businesses. If you look at Middle East, the prices in construction are already up by 22%. In India, obviously, if it's not 22%, you will see an impact of 8% to 9%. Now if that overall 8%, 9% is covered by the price variation, then there will be no impact. However, if it is covered a couple of percentage points lesser in some commodities, you will see an impact on EBITDA, PAT, cash profit or all the parameters. That's what I'm trying to drive the point.

Rahul Kumar: Okay. And this operating margin, which you mentioned, is it including the other income, or is it excluding the other income?

Rohit Katyal: Excluding.

- Rahul Kumar:** And sir, I think the disruption in the execution would have come in, I guess, in the March, especially in March. So if you can help us understand what was the monthly billing rate, let's say, in March and how it has moved since then?
- Rohit Katyal:** So I don't have it in front of me, but please drop a small mail. We will give you the monthly run rate for April, May, April, Jan and, sorry, Jan, Feb and March.
- Rahul Kumar:** Okay. Okay. But do you expect this execution to improve from now, going forward? You see this resolution of?
- Rohit Katyal:** From May, yes, because workmen have started coming back after the Bengal elections. There were some extended celebrations there, what we understand. But we have seen 25%, 30% increase across project sites in labour strength, but it will only streamline in totality. At least the peak strength, what is required, we are still short of about 3,000 workmen across our 30 project sites. But we do believe that that will be covered up this month. However, we never give you guidance with 100% availability of manpower. We only fail if the depletion of manpower is beyond what was anticipated.
- Rahul Kumar:** And how much workmen do we actually employ? I mean you mentioned 3,000 shortage.
- Rohit Katyal:** More than 10,000.
- Moderator:** Thank you. We will take the next question from the line of Vansh Solanki from RSPN Ventures. Please go ahead. Sorry to interrupt in between, Vansh. Your voice is not audible. Still it is not, it is breaking. I will request you to please re-join the queue again.
- Vansh Solanki:** Okay.
- Moderator:** Thank you. We will take the next question from the line of Deepak Poddar from Sapphire Capital. Please go ahead.
- Deepak Poddar:** Am I audible, sir?
- Rohit Katyal:** Yes, sir.
- Deepak Poddar:** Okay. Sir, just first up, this INR10 crores provision, I mean, where was it accounted, I mean which line item in P&L?
- Rohit Katyal:** Construction expenses. That is the material in M plus L.
- Deepak Poddar:** Okay. In the construction. And generally, our all contracts are pass-through, right, pass-through contract, right? I mean, but still, you are saying that there can be some impact, right, because of.
- Rohit Katyal:** I'll tell you, sir. I explained, but I'll still again try to explain. The private sector, it is shell and core, all right? And whatever private sector finishing items are there, they are also on base rate. So if the price doubles up also, it does not make a difference.

On the other hand, the government contracts are based on escalation as per the indices published by the Office of Economic Advisers and republished by RBI. Now that increase in escalation at the moment doesn't commensurate with the price increase, and hence, the provision in certain items like electrical, aluminium, as I explained, and therefore, the provision. If the increase in escalation over the quarter one and quarter two matches with the overall price increase, this provision will be reversed.

Deepak Poddar: Correct. So it's only a prudent measure, right? I mean, but you are kind of positive that this reversal can happen, I mean, going forward?

Rohit Katyal: Please. If you can predict when the oil prices and war will get over, I can predict when this can be reversed. I can be only optimistic that I hope, like everyone is hoping, that this war gets over very quickly because the impact yet in India has to come out to the general public, but the companies are already witnessing it.

Our most senior company in our sector is L&T. They have already mentioned this during their call. And if they have faced it, then I don't know why other companies will not face it. So we are all optimistic on Indian growth story. The order books are at record high, but there is pessimism due to the geopolitical uncertainty.

Deepak Poddar: Okay. And on the labour side, I mean, what's the per day labour that we kind of have right now? And what's our requirement?

Rohit Katyal: So the per day is never a count. It is always at the requirement at project site. So the average requirement should be 14,000-plus. Maybe we are at 11,000-odd. This had depleted to nearly 9,000 in the March and some part of April. We have seen reinforcements coming back after the elections, and we hope to be at the optimum by the end of this month.

Deepak Poddar: So by May end, we are expecting to be back to 14,000?

Rohit Katyal: It could be 13,500 or could be 14,500. I am giving you a ballpark figure, 5% plus, minus.

Deepak Poddar: Okay. Okay. I got it. And what sort of order book inflow target we have for FY27?

Rohit Katyal: INR4,500 crores to INR5,000 crores, and we are well on track to do that.

Deepak Poddar: INR4,500 crores to INR5,000 crores. Okay. And just one last small thing. In terms of execution in April, I mean, are we on track with whatever outlook we have given in terms of 20% growth for the entire year? So this April also, we saw that growth or it was impacted?

Rohit Katyal: So April was impacted by labour shortfall. However, it is stabilizing in May, and June will also be there. I don't see the monsoons coming in a hurry this year, as predicted by the meteorological department. It's not my prediction. But therefore, we do believe on the overall for the first quarter should be decent. We will maintain our momentum in quarter 2 and improve it significantly over quarter 3 and quarter 4.

Moderator: We have the next question from the line of Rajesh Jain from RK Capital.

Rajesh Jain: Sir, I'm not very familiar with the industry. So just wanted a confirmation from you that for the government sector, the escalation clause that is related to aluminum and copper, is it benchmarked to the wholesale price index for everyone in the industry?

Rohit Katyal: No, every contract is unique. There are escalation clauses. Wherever the escalation clauses are there, a certain portion is towards the labor that is 30%. A certain portion is there towards reinforcement steel. A certain portion is for cement. A certain portion is for POL that is oil component. And the remainder -- or the other thing is WPI all commodities, all right?

So, aluminum would generally -- aluminum being a formwork, not direct input in the project, but an indirect impact will come under wholesale price commodity impact only. Electrical will come either under electrical items if there is a provision in the contract or under WPI all commodities.

Rajesh Jain: Okay. And sir, for your 20% revenue growth guidance, what could be the negative downside risk? For example, yes, apart from crude oil or currency fluctuations or the war escalating, do you foresee that -- I mean there could be escalation in the labor rate also?

Rohit Katyal: See, we don't see -- foresee an escalation in the labor rate. If the war continues, then, of course, they will -- the Middle East labor will look at India to work. The problem is that availability of enough trained manpower. It's not a question of availability of manpower. Trained manpower is the criteria.

So that is what is a challenge, was a challenge and will continue to be a challenge, war or no war. But if the commodity prices go beyond a limit, if the input prices or the cost of construction in economies like Bangalore, Hyderabad, Tier 2 cities increase by 20%, you could see projects slowing down. That challenge will always be there.

Fortunately, our order book is coming from metros like Mumbai, 80%, 90%, where the prices of real estate is very high. So, a 10% dip will not make any difference to the construction for the developer. But in Tier 2, Tier 3 cities, yes, there is a fear that if the price increases go unchecked here on, there could be a slowdown in projects.

Rajesh Jain: Okay. Sir, for your order book guidance of INR4,500 crores to INR5,000 crores, how much you have bid so far? And when do you expect the first major order announcement for FY27?

Rohit Katyal: I think one order announcement was given or no? No. So we do expect in the quarter 1 orders closed in excess of about INR1,000 crores. Quarter 2 will be a similar number. Quarter 3 and quarter 4 will be about INR3,000 crores, so between INR2,500 crores to INR3,000 crores, thereby -- which we will be achieving the full year guidance of about INR4,500 crores to INR5,000 crores.

Rajesh Jain: And how much you have bid so far, the first part of my question?

Rohit Katyal: We have bid more than INR5,000 crores. But the point is that we are in the industry, so we continue to bid. But at the moment, we are negotiating with our existing clients to close some

orders in upward of INR1,000 crores. Once the negotiation is done and we receive the LOI, we will inform the Stock Exchanges and all the investors.

Rajesh Jain: Okay. And sir, last question, you have some kind of procurement arrangement with a company called Arisinfra. So, what kind of arrangement is that? And what benefit do you get out of it?

Rohit Katyal: There is no arrangement. It is an agreement for project supplies, purchase of certain commodities like cement, steel in bulk. So, the benefit only is that when the purchase done is about INR20 crores from one vendor, it's a joint negotiation which happens with the manufacturer by virtue of which we are able to lower.

For example, if we route the entire plywood of, let's say, INR3 crores through one vendor, then we are in a better position to negotiate and take a bulk discount from the main manufacturer, which is then shared between Aris and us, by which it is a win-win situation for the company and the supplier.

Rajesh Jain: Sir, just one clarification on the order book, which I already asked you. So, the guidance of INR4,500 crores to INR5,000 crores, can you give the split between PSU and private sector? Because your -- I mean you will get impacted in the escalation clause only in the PSU sector, right? So, if you can give the breakup?

Rohit Katyal: I would have to reclarify. I will not. If the full industry gets, I will also get. So see, inclination will be to maintain the current balance. However, if the private sector is something like what we are executing, the quality is same or better, we don't mind taking the projects. But looking into the labor requirement, we would like to go for LSTK, EPC projects more than item rate projects to increase revenue per labor or per member of the Capacit'e family.

We cannot afford to reduce the revenue per person. So therefore, the focus really is on EPC projects, but we will not refuse private sector projects, which are of meaningful in nature and in sizes of more than INR300 crores, INR400 crores.

Rajesh Jain: So, PSU will remain around 50%, 60% of the order book guidance?

Rohit Katyal: Yes.

Moderator: We'll take the next question from the line of Vansh Solanki from RSPN Ventures.

Vansh Solanki: Certain...

Rohit Katyal: I cannot hear anything.

Moderator: Mr. Vansh, please proceed with your question. Sir, your voice is breaking. I will request that you please rejoin the queue again. We will take the next question from the line of Diwakar Rana from Prudent Equity.

Diwakar Rana: Sir, I really appreciate you giving the margin guidance of around 15.5% to 16.5%, considering the geopolitical issues. But does the revenue guidance of 20% consider all these geopolitical issues, or it has been excluded?

Rohit Katyal: The current geopolitical issues, sir. Now something worse may happen. I cannot predict for that. You know that generally, I am not a very big fan of quarter-to-quarter in construction company. I've been repeating this over so many quarters now. So given the current situation we are seeing, this guidance is realistic, takes into account that no further elections are there in the remainder of the current financial year, hopefully. That's what our understanding is.

We have factored in for 15, 20 days of environmental stoppages like in -- what happens in NCR and Mumbai, what we have seen. However, any further deterioration cannot be predicted by you and me. So, we are cautiously optimistic, that is all I can say. And we will discuss the situation on the war or the other geopolitical uncertainties during our Q1 earnings. But at the moment, I can only provide for what we are optimistically cautious about. If things go bad, we will revisit that in the quarter 1 financial earnings, and we will explain that to you.

Diwakar Rana: Okay. So, things going bad meaning the war escalates, right, because elections are not there in this financial year. Maybe in 2027, we'll have UP election.

Rohit Katyal: As I told you that if the prices suddenly go up by 20%, 25%, the input price for the developer - let's say, the steel prices in December were INR46,500 primary producer, today, it's INR60,000. So, it's not an impact on us, but it is an impact on my client. Now if this client is working at INR10,000 sale price, he may think twice.

But if the client is working at a INR1 lakh of sale per square feet, it doesn't make an impact to him. So, it's a case-to-case basis. We cannot generalize it. So, the impact is not on Capacit'e or construction companies like us who are in private sector. The impact would more so be on the client, and the sale prices at which they are working.

Moderator: We will take the next question from the line of Rajesh Jain from RK Capital.

Rajesh Jain: Sir, you had explained about the reduction in other income, but I could not follow it completely. This reduction in other income, was it primarily due to a reduction in debt recovery, or what other income it represented?

Rohit Katyal: So, it was some write-backs which we received as one-off, which was recorded in the last financial year. Generally, the other income includes interest income, all right. So last year, the interest income and this year, the interest income -- this year, on the contrary, the interest income has increased a little bit.

However, the other income has not been there because it was a onetime, as we explained last year also. If sometimes it comes as a write-back coming into the books as other income, it will be informed separately during every Investor Conference call. Otherwise, other income will only contain interest.

Rajesh Jain: So going forward, then we can expect only about INR3 crores to INR4 crores per quarter as other income. What would be the trajectory for FY27 per quarter?

Rohit Katyal: Same, plus or minus 10%.

- Rajesh Jain:** Okay. Understood. And sir, are you also bidding for any data center orders?
- Rohit Katyal:** Yes, we are.
- Rajesh Jain:** Okay. And are they slightly higher margin compared to the building construction orders for the residential and commercial building?
- Rohit Katyal:** Sir, you are taking away my competitive advantage by asking this. You can ask me this offline. I can explain. But let us not discuss the pricing of tenders on the con call.
- Moderator:** We will take the next question from the line of Rahul Kumar from Vaikarya Fund.
- Rahul Kumar:** What's been the split of the revenues between private and public contracts?
- Rohit Katyal:** About 60%-40%.
- Rahul Kumar:** 60% is public?
- Rohit Katyal:** 60% is public sector, 60% to 65%. Private will be 32% to 35%.
- Rahul Kumar:** Second, what would be the -- I think last time, we had guided for an absolute reduction in the receivables and contract asset for FY26. What would be the similar guidance for this reduction for FY27?
- Rohit Katyal:** See, we are -- we have given you a guidance for net reduction in working capital days. As I explained, excluding retention, we have fallen by 50 days. And our guidance earlier also was 25 days or thereabouts. But 50 days comes in as a very pleasant surprise. The efforts are paying off. So, the focus will continue on debtor collection. The focus will continue on liquidation of noncore assets. And the focus will continue to work with clients who have strong balance sheets.
- In Government, focus will continue to work with clients who have their own sources of income and not dependent on grants. So, this focus is a strategy, which the company has been working on from '24 onwards. And 2 years down the line, you are now seeing the results of that. So, there is no need now to change the strategy. The only impact is the ongoing global uncertainty. Hopefully, we will all sail through it like we have done in the past.
- But our focus over the next 2 years more than revenue is on improving the working capital metrics, improving the cash profit and lowering the debt. So, the net debt is approximately as on today, as I speak to you, less than INR170 crores.
- So, I believe that the net debt reduction will continue over the next 2 financial years. And with the uptick in the collections, what we have seen in April and what we continue to see in May, we are quite optimistic of the strength the company's balance sheet will exhibit over the next 2 financial years.
- Moderator:** We will take the next question from the line of Parth Thakkar from JM Financial.

- Parth Thakkar:** What would be our revenue from the CIDCO and the MHADA project for FY26, sir?
- Rohit Katyal:** One minute please. MHADA is INR223.68 crores, and CIDCO is close to INR400 crores.
- Moderator:** Ladies and gentlemen, as there are no further questions from the participants, we now conclude the question-and-answer session. I now hand the conference over to Mr. Rohit Katyal for the closing comments. Thank you, and over to you, sir.
- Rohit Katyal:** I would like to thank all of you for joining us on this call today. We hope we have been able to address your queries and provide some 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. See you next quarter.
- Moderator:** Thank you, sir. On behalf of the Capacit'e Infraprojects Limited, we conclude this conference. Thank you all for joining us, and you may now disconnect your lines.