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

Scrip code: 540710

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

Symbol: CAPACITE

Sub: Transcript of Earnings Call Q1 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 August 05, 2026, we hereby enclose transcript of the earnings call held on Monday, August 10, 2026, on operational and financial performance of the Company for the first quarter (Q1) ended June 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

Q1 FY '27 Earnings Conference Call"

August 10, 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 Q1 FY '27 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 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 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. Should you need assistance during the conference call, please signal an operator by pressing star, then zero on your touch-tone phone. 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 afternoon. On behalf of Capacit'e Infraprojects Limited, I extend a warm welcome to all participants on our Q1 FY '27 earnings conference call. Joining me today are Mr. Rajesh Das, CFO; along with Mr. Alok Mehrotra, Nishith Pujary and our Investor Relations team from Marathon Capital.

I trust you 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 the company's website. The momentum built up by the company in FY '26 is poised to deliver improved revenue growth in the remainder of the current financial year. The performance was impacted by workmen shortages and factors beyond the control of the company. However, the workmen situation has since normalized, and we are confident of achieving our guided performance for the current fiscal over the remaining 3 quarters of FY '27.

Let me turn to some of the key updates. Commodity price volatility, especially in respect to nonferrous metals is yet to get reflected in the inflation indexes being published by the government. As a prudent measure, the company has, therefore, taken an additional provision of INR10 crores in the current quarter. Order book stood at INR13,535 crores as on 30th June 2026. Public sector accounts for 55%, while private sector accounts for 45% of the total order book.

FY '27 order inflow target is between INR4,500 crores to INR5,000 crores. Orders booked so far in FY '27 stands at INR1,071 crores, supported by the strong pipeline of identified quality projects for bidding, INR22,000 crores in public sector and INR5,000 crores in private sector over Q2 and Q3, the company remains confident of achieving its FY '27 order inflow target. The promoter share pledge has been reduced from 85.5 lakh shares on an absolute basis as on 31st March 2026 to 50 lakh shares currently. The company targets for full release of the pledge by the end of the current financial year.

I now turn to the consolidated performance highlights for Q1 FY '27. Revenue for Q1 FY '27 stood at INR629 crores, up by 7% as compared to INR589 crores in Q1 FY '26. EBITDA for Q1 FY '27 stood at INR99 crores, thereby moderating by 3% as compared to INR102 crores in Q1

FY '26. EBITDA margin for Q1 FY '27 stood at 15.7% as compared to 17.2% in Q1 FY '26. EBIT for Q1 FY '27 stood at INR80 crores, down by 8% as compared to INR87 crores in Q1 FY '26.

EBIT margin for Q1 FY '27 stood at 12.5%. PAT for Q1 FY '27 stood at INR40 crores as compared to INR47 crores in Q1 FY '26. PAT margin for Q1 FY '27 came in at 6.2%. The key financial metrics, as mentioned above, were impacted by the INR10 crores additional provision, as mentioned in my earlier remarks.

I now leave the floor open for questions. Thank you.

Moderator: Thank you very much. The first question is from the line of Vinay Chaudhary from Invexa Capital LLP. Please go ahead.

Vinay Chaudhary: So my question is regarding the revenue, the execution. So we have seen the order inflow being strong this quarter as well. Of course, it's YTD. So -- and our order book to revenue ratio is quite strong. But we have not seen the conversion in our execution. So where -- like in a project level, where are we not able to execute at that level? If you can throw some light on that?

Rohit Katyal: Yes, good question. So the order book includes IIT Bombay. That's a INR550 crores contract, which was to start in quarter 4 of the last fiscal but will start only in quarter 2 of the current fiscal because there were no tree cutting permissions available with the client. So therefore, while we have the extensions in place, this impacted because the project is a fast-track project of 24 months. So the first quarter 1 and quarter 2 of the current fiscal should have had revenues in excess of INR65 crores to INR70 crores from that project alone. This is one impact.

Secondly, the revenue buildup of NBCC has happened from the current quarter, and you will see a threefold increase in that project as well. So like there are right-of-way issues with clients in other sectors, we could also face problems with certain clients for tree cutting or certain encroachment issues with government clients. But the first -- I'm happy to say that the first building of IIT has been handed over. The design has been approved and the execution has started. So I do believe that the execution will double up in these projects or more over the next quarter or 2.

And therefore, I'm very confident, as I explained, to achieve the full year guidance. Now coming to the overall order book to revenue, you should look at our CAGR over 2022 till '26, which is close to 20% or thereabouts. You should look at our PAT, which is at about CAGR will be more than 40%. So the company has been able to convert. Yes, you are right, we can do far better, and we are on line to do that. Hope to have answered your question.

Vinay Chaudhary: Right. Sir, just to reiterate, like so H2, I assume, will be quite stronger, assuming the monsoon impact is the seasonality in the current quarter. So it will be fair to assume that quarterly run rate can touch above INR850 crores or about so to achieve our full year guidance.

Rohit Katyal: It will, 101%. Our guidance is 20% year-on-year, all right, and we are well on track to do that. There has been a moderate increase -- we had mentioned in the last conference call also that the labor had dipped to 50% in May and then to 7,000 that is a shortfall of nearly 30% in June. As I speak to you today, the labor requirement is fully in place. And therefore, you will see quite a satisfactory uptick in quarter 2 as well. And obviously, we are looking to do that INR850 crores plus in quarter 3 and quarter 4.

Vinay Chaudhary: Sure. Secondly, on the provision. So of course, we have guided about 15.5% to 16% on EBITDA level margin, while we have provided about incremental INR10 crores, INR10 crores -- INR20 crores in the last quarter and the current quarter. So just wanted to understand if like the raw material normalizes, the price normalizes, is it fair to assume that this INR20 crores can potentially get reversed, which can improve our P&L for the coming quarters? Or is it absorbed already this INR20 crores? Is it something which cannot be passed? Or is it something which can be reversed?

Rohit Katyal: So I had explained in my last quarter conference call that while the steel prices have moderated, however, we see that the prices of aluminum, which went up by 35%, 40%, the price variation has not caught up with that. Okay? Similarly, other nonferrous metals like copper. You see CPWD has just published a new DSR. And it is yet to reflect, it will yet take a quarter or 2 more till the entire escalation is covered by these indices.

So we have to wait and watch, but I am pretty confident a large portion of this will get reversed. It is only prudent to provide because as on 30th June, it was not covering. Similarly, as on 31st of March, it was not covering.

So answering your question, we are extremely hopeful of reversing this provision in quarter 3 and quarter 4. However, there's a disclaimer. It again depends on the inflation index and not on the food or retail or wholesale price. This is regarding the copper, aluminum and so on and so forth. But given the 7 years or 8 years history, generally, we have been able to cover up.

So let us wait and hope for the best, but a substantial portion will just get reversed and add to the bottom line.

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

Rohit Gupta: Sir, my question is regarding MHADA BDD Worli project. What is the current outstanding order value, which is still left to be executed? And when do you expect this remaining value to be included in Capacit'e order book?

Rohit Katyal: See, the total order value on the TCC level, that is the parent company, which is owned jointly by Tata Projects and Capacit'e is close to INR17,000 crores, including escalation. Out of this, MHADA has handed over 50% of the project, which is about 34 rehab buildings. These 34 rehab buildings translate into an order book at TCC level, again, the parent company level of about INR7,500 crores to INR8,000 crores. Out of this INR8,000 crores, 35% belongs to Capacit'e Infraprojects Limited. So approximately INR7,500 to INR8,000 crores into 35%, that is our order book as far as MHADA project is concerned at the parent level.

At the subcontractor, that is 35% of the subcontract is being done by Capacit'e Infraprojects on a stand-alone basis and 65% by Tata Projects Limited. It translates into the same value, which I've just mentioned to you. However, some profit -- let me complete. However, some profit will be booked at consolidated basis, like you are seeing, profit from share of associated and the balance profit will be booked in the stand-alone books of the company.

Rohit Gupta: And sir, my follow-up is Capacit'e is currently L1 for the CIDCO Maha Awas DRS Housing project. Any light on this?

Rohit Katyal: So we, as a policy, don't declare L1 positions. But yes, we are L1 in a couple of projects. One of this is you have just mentioned. And we hope that within this month, that should get converted into an order.

Rohit Gupta: And second one is the Chennai Metro commercial complex, another L1?

Rohit Katyal: Yes, we are expecting that also to get converted in the current month. Apart from the L1 positions, but as a company policy, since we don't declare L1 position on the stock exchanges, I will not be able to comment any further just because the government in the public domain, I can.

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

Vasudev: Sir, how are we progressing in the CIDCO and the Signature Global project?

Rohit Katyal: The CIDCO project, we are handing over -- virtually, we had explained last time also, we have handed over 2 locations. So work is going on at the balance 4 locations. We believe that the client has identified. If you remember, there were 7 locations all put together. So we are in the process of receiving the handover of the balance quantum of land starting quarter 2 and ending quarter 3.

So therefore, from quarter 3, you can expect enhanced revenues from CIDCO project. Our completion for the remainder of the 4 locations, we have received the extension from the client for March '28, which means that we have to further get a certified revenue of close to INR1,000 crores plus escalation thereon. And that is to be done over the next 18 months. And therefore, the revenue guidance earlier given for CIDCO is based on this INR1,400 crores to INR1,500 crores plus escalation. And we are well on track to achieve that.

Vasudev: Sure, sir. And on Signature Global?

Rohit Katyal: Signature Global, we are targeting to achieve approximately INR22 crores monthly revenue. We are on track to do that. There was a serious dip in quarter 1 because of serious shortfall in labor across the country, across the industry. But now we have about more than 1,000 boots on the ground at the project site, and we are confident to achieve the targeted revenues. It has improved significantly in June -- sorry, July, and you will see significant improvement between July and August.

Vasudev: Okay. And sir, for MHADA and CIDCO, if you can give a similar number, like what is our current monthly or quarterly run rate? And how are we expecting to improve?

Rohit Katyal: So our target is to do about INR20 crores per month on CIDCO -- sorry, in MHADA in quarter 2. We expect another 4 buildings to open up in quarter 3. And let me tell you, at the subcontractor level, one building is approximately INR140 crores. So with opening up of each building, we add approximately INR6 crores to the top line because each slab casting gives a revenue of about INR3.1 crores. So it's a very long answer, but to answer your questions, in this current quarter, we should be at INR60 crores approximately.

And then for quarter 3 and quarter 4, we expect INR75 crores plus from this project alone, given the current status of the land handed over by the client to the parent company, TCC and by TCC to Capacit'e.

Vasudev: Sure, sir. And for CIDCO, if you can help with similar numbers?

Rohit Katyal: So CIDCO, we are targeting. I had given a figure last time of approximately INR600 crores for the full year. So we do believe that we should be more or less within that hitting range with some betterment, but the positive surprise will come from NBCC in the current quarter, next quarter and Q4 as well. The building -- the billing momentum has built up over there. And we do, as I explained in my earlier answers, we do expect the revenue to jump from INR20 crores to INR60 crores approximately per month over there from current month onwards.

Vasudev: Okay. And sir, in NBCC, we started booking profits for this project?

Rohit Katyal: Yes, yes. Now it has started booking profits. We are at INR300 crores certified bill, and we are looking to bill about INR60 crores further per month for the remainder of the year. Okay. So obviously, we have crossed that 20% threshold. And therefore, we are booking the profits as guided for NBCC project.

Vasudev: Sure, sir. And just one last from my side. What is the CapEx we did in Q1 and our target for the full year?

Rohit Katyal: For the full year, the target is INR193 crores. The CapEx done in Q1 is INR79 -- sorry, INR52.2 crores.

Moderator: The next question is from the line of Vaibhav Shah from JM Financial.

Vaibhav Shah: Yes. Sir, first thing on CIDCO. So, what would be the order backlog for the sixth building? And what would be the same for seventh building?

Rohit Katyal: So it's not seventh building. The total square feet to be constructed under the contract is 1 crores 62 lakh square feet all right? We have received 50% of that. So 50% is the remainder to be handed over. And the client has identified a couple of locations, which we believe that should be handed over to us by next month. So we should get the entire scope of 16,200,000 square feet over the next 2 quarters, including the current quarter.

Vaibhav Shah: But sir, in terms of order value, what would be the order book for 6 buildings and the seventh building?

Rohit Katyal: So the total backlog -- so the total order value for the remainder would be approximately INR2,000 crores plus escalation and the current escalation...

Vaibhav Shah: Including all the buildings.

Rohit Katyal: Sorry?

Vaibhav Shah: Including all the buildings.

Rohit Katyal: Whatever balance has to be received. Whatever has been received out of that, another INR1,000 crores to be built.

Vaibhav Shah: Okay. Sir, secondly, what is our gross debt right now?

Rohit Katyal: Total INR3,500 crores approximately.

Vaibhav Shah: The outstanding portion or the entire you were saying?

Rohit Katyal: The outstanding portion, including price variation because price variation is approximately 28% as I speak to you. That will be between INR3,200 crores to INR3,300 crores. It can vary depending on the price variation, which the company gets. Currently, it is at 28%.

Vaibhav Shah: Okay. And of this INR3,200 crores to INR3,300 crores, what would be for the seventh building value?

Rohit Katyal: INR2,500 crores approximately, including escalation.

Vaibhav Shah: Okay. Okay. Got it. Sir, secondly, what would be our gross debt right now? And how do you see it going forward by March '27?

Rohit Katyal: The total gross debt is INR522 crores. I have given a commentary during the last conference call that on a yearly basis, it will reduce. This has only increased because approximately INR150 crores of payments got shifted by 10 days, which obviously have been collected in the current month. So this should not be viewed on a quarterly basis. On a yearly basis, we will reduce our gross debt, and so will we reduce our net debt. Our 8 quarters net debt-free target is well on track.

Vaibhav Shah: Okay. Okay. Sir, lastly, one confusion was there. So between the consol numbers and stand-alone numbers, what is the difference in terms of revenue? So which projects are booked -- revenue is booked in the consol books?

Rohit Katyal: So the National Speed Highway project is on consol basis to our share of revenue. And the Capacit'e Infra and Mutha Group Maldives project is booked also on the consol basis. Further, the profit -- only share of our profit from TCC, that is the MHADA parent company is booked in the consolidated. Everything else is in stand-alone.

Vaibhav Shah: So MHADA revenues won't come in the stand-alone book?

Rohit Katyal: So if that would have been the case, we would have be having INR1,000 crores revenue in the quarter. MHADA profit -- only the profit will come in the consol, not the turnover.

Moderator: The next question is from the line of Vedant Kabra from AVN Capital.

Vedant Kabra: I just had a couple of questions. Sir, your quarter 1 commentary you flagged the Mumbai water cut as an execution drag. So now looking ahead for this year, in quarter 3, the Delhi NCR GRAP construction bans are a recurring annual event that spans from November to January for the entire NCR. So how do you plan on tackle this and still achieve the 20% top line growth that you have targeted for this fiscal, given that we have achieved 7% for quarter 1?

Rohit Katyal: So the point is that -- sorry, can you...

Management: We have achieved.

Rohit Katyal: Yes. So the point is that quarter 2, July has been strong for the company. And therefore, we derive confidence on the August and September numbers. Quarter 3, as I told you, at the moment, we have just started IIT project. We have just started yielding from NBCC.

All right, revenue is bound to rise in CIDCO and MHADA projects. And similarly, we had announced the downtown project in quarter 4 of last fiscal. The current quarter will give you substantial revenue of close to nearly INR55 crores from that project alone, which is bound to rise in quarter 3, quarter 4. Therefore, the number of projects which will add meaningful revenue from quarter 2 onwards and peaking in quarter 3 and quarter 4, that gives us substantial confidence of achieving the full year target on a consolidated basis.

Vedant Kabra: Okay. So this Delhi NCR, that construction ban period will not be impacting in any revenue slowdown?

Rohit Katyal: We have factored an average of 20 days' worth. Now if it goes to 40 days, everyone will suffer. But I do believe that the industry is taking adequate steps for that. But if the AQI remains at 400, 500, then it is anyone's guess. But at the moment, we have factored 20 days in the current fiscal for the Northern India revenue impact due to NGT.

Vedant Kabra: Okay, sir. Got it. And sir, my second question is on the revenue growth because the revenue growth has slowed steadily, right? We were at 22% in FY '25 and then we were at 12% in FY '26, and we are currently at 7%. So even though our order book as at a record INR13,500-odd crores, which is about 5x our annual sales.

So the slowdown has started before the water cut issue and labor issue. So sir, my question, I just wanted to understand from an investor standpoint, do we have a bottleneck on execution outside of the labor issue and water issue? Is it slower revenue recognition because of the shift to 40-plus towers, which is now 60% -- 62% of the book? I just wanted to understand.

Rohit Katyal: No, no, no, no. It's not like that, sir. We have been very open with all our investors and new financial institutions that the order execution or nearly -- see, for example, CIDCO INR2,500 crores I just mentioned to the earlier query, INR2,500 crores yet execution has to start. We expect that from next quarter, okay? We are increasing the revenue of NBCC, which was not even INR15 crores per month last year.

We are taking it up to INR60 crores from the current quarter already, okay? Current quarter in sense per month. So about INR150 crores would come in the current quarter.

Similarly, IIT Bombay, we couldn't start the work because of tree-cutting permissions. Now these things are unforeseen. And therefore, my INR13,500 crores order book, I could have only executed or execution was only happening on INR8,000 crores to INR9,000 crores. That does not mean that the active order book is not active. But as soon as that's an opportunity.

We suddenly now we have 34 buildings in MHADA to execute. So obviously, that will get reflected in the top line. We have already started our works at IIT. From next quarter, you will see revenue happening in that also. And obviously, the increase in revenue coming from NBCC.

Lastly, Great Value still has to receive approvals. So while the order was booked in quarter 4 of the last fiscal, we have not recognized any revenue from that project, maybe INR crore or INR2 crores. So again, we do believe that quarter 2 -- 3 onwards, you will see sizable revenue coming from that. So therefore, when we say our total order book, that includes sites on which the work is yet to begin, all right? And therefore, since now we have a road map available with us that, yes, from quarter 2 end and quarter 3, a lot of additional projects will start giving revenue and sizable at that.

Similarly, Wadala of Raymond, okay, that will start from quarter 2 end. So you will see a sizable revenue coming in quarter 3 and quarter 4. And therefore, the confidence of revenue increase comes from that.

Similarly, I would request you to look at our CAGR over '22 to '26. And that would be at approximately 18% on a consol basis. And if I have given a projection of 20%, obviously, the CAGR will improve by that percentage. But our goal over the next 2 years is to maintain that growth rate. The order book supports it. The current labor strength supports it. And obviously, our focus on use of the new age technologies will further support it from quarter 3, quarter 4 end of the current financial year.

Moderator: The next question is from the line of Prateek Bhandari from AART Ventures.

Prateek Bhandari: Just wanted to get a sense of the current quarter or the last 40 days that have gone by. Have you seen some sort of stabilization in the commodity prices?

Rohit Katyal: See the commodity prices are stable over the last 3 months or 4 months. The steel prices went down by 20%, have increased by 3%, but the concern is over the nonferrous, aluminum, copper. The price increase, which at the moment is reflecting from the CPWD is approximately 14%. While on the ground level, the raw material itself let's say, raw material is 30% of the entire NAP.

So if that has increased by 40%, it is 12% to 14% only on the material part, not to speak about the labor. So I -- so it has stabilized, but the inflation is yet to catch up with the price rise. Inflation from Office of Economic Advisers for relative commodity.

Prateek Bhandari: Got it. And secondly, on the capex, you last time guided for capex for FY '25 to be -- for '27 to be around INR165 crores that was for aluminum extrusion. And now you have mentioned it to be INR193 crores. So can you give a sense as to where is the difference flowing?

Rohit Katyal: So we have taken -- we are expecting certain orders in this quarter. And therefore, we have accounted for that. You can just take the bifurcation. We are looking at INR56 crores of plant and machinery. We're looking at the aluminum extrusions and related formwork of INR121 crores for the full year.

And information technology would be INR5.43 crores. So we are currently on the process of implementing SAP and we should go live in the quarter 3 of the current fiscal. It is important for the organization. So this is the bifurcation. So INR150 crores for only formwork stands at INR121 crores.

Plant and machinery will increase because we are currently executing more than 15 buildings in super-high-rise segment. And while we have our own equipment substantial at that, still the requirement of high-speed lifts for passenger and hoist -- passenger and materials will be there.

Similarly, we will -- we are bidding for composite buildings, which involve steel structures like the IIT Bombay, which will require heavier cranes. So these things cannot be envisaged only in March. So we have booked -- we are very confident of exceeding our half yearly target in the current quarter and with the L1 position alone. Okay? So we do believe that this equipment increase is directly proportional to that.

However, given the equipment increase, our repayment of term loans for the current year will stand at INR102 crores. So therefore, the debt position due to the equipment purchase may increase by INR45 crores to INR50 crores, nothing more than that on a net basis.

Similarly, on the working capital front, like we reduced 40 days last year, we expect a similar reduction in the whole year, this current financial year. Do not -- please ask me March, September, December or -- but we will definitely talk to you for March '27. And the March '27 working capital days will be further improved to March '26. And the overall debt position will be lower. Yes, the term loan, obviously, because of substantial equipment purchase will be higher by net whatever new loans we take and whatever repayments we do by approximately INR45 crores to INR50 crores.

Prateek Bhandari: Got it. And just one last question. Of the order that we have received during the quarter, can you give a split as to -- is it from public or private?

Rohit Katyal: The first quarter was totally private. The second quarter, we see equivalent coming from public, and we are under negotiations with certain seriously high-level quality private sector. And we are very hopeful of converting some of them in the current quarter. So yes, as therefore, I told you, there is no reason why we should not cross -- the upper band. So our band of order inflow is INR4,500 crores to INR5,000 crores. We see crossing 50% of the higher end of the band in quarter 2 itself.

Moderator: The next question is from the line of Dhananjay Mishra from Centrum Broking.

Dhananjay Mishra: Sir, this INR6.5 crores monetization value, so where it is getting captured in the other income?

Rohit Katyal: In the other income. Sorry, can you repeat the question, 6 point?

Dhananjay Mishra: INR6.5 crores realized from noncore assets.

Rohit Katyal: Yes, it is getting reflected in the -- the profit is getting reflected in the other income.

Dhananjay Mishra: Okay. That is part of INR10 crores.

Rohit Katyal: Absolutely. So therefore, if you see overall on the full term basis last year, there was substantial other income, which was booked. And the target for the full year remains unchanged.

Dhananjay Mishra: And for CIDCO, you said outstanding order of the sixth site is INR1,000 crores and INR2,500 crores is for the seventh site?

Rohit Katyal: Not 7 sites, remainder area to be handed over is INR2,000 crores plus escalation, so INR2,500 crores. So in our order book, we have considered INR2,000 crores. But as soon as that locations are handed over, approximately 4 locations encompassing the seventh location, which people know. However, we will give you absolute clarity on that in quarter 2 earnings conference call. But we do expect a couple of locations to be handed over within the current quarter.

Dhananjay Mishra: And can you also talk about the bid pipeline for this financial year? And do you see any opportunity in the Mumbai 3.0 we are talking about for our...

Rohit Katyal: I will not be able to take names. Obviously, you can understand due to restrictions. But we have an identified bid pipeline of INR22,000 crores in the public side and approximately INR5,000 crores of targeted bid pipeline in the private sector for Q2 and Q3. Q3 will be uploaded by the end of Q2. That is the process how we follow because just leads does not become bid pipeline.

What tenders are firmly planned and which have received administrative approvals from various government departments, those are the projections which we can take in our bid pipeline. So that is the opportunity as far as Capacit'e is concerned. It may get added or deleted depending on finally when the NITs published by the government. But we do see a very strong pipeline, both in government and private sector.

Moderator: The next question is from the line of Gunit Singh from Cyclical PMS.

Gunit Singh: So my question is regarding the contract assets. So if we look at our peers like Ahluwalia or PSP, contract assets as a percentage of revenues are about 14% to 15%, whereas ours are about 50% to 55%. So can you help me understand why are our contract assets much higher than them? And what percentage of these are normal unbilled revenues versus how much of them are under stress?

Rohit Katyal: So the stress has already been provided for, sir. Now I would like to just clarify, I do not have the -- from where this 15% and 14% has come, but contract assets plus debtors for our company stands at approximately 78% to the top line as on 31st March. The same percentage for my competition is between 56 days to 65 days. If you remember during COVID, after COVID, our INR325 crores had got held up. And this figure had shooted to 120% to the top line.

So there is a 45% betterment over the last 3, 4 years as far as contract assets are concerned. And we -- during our commentary during the quarter 4 earnings call had said that we will be in the leadership position better than most of our competition without taking names over the next 8 quarters.

So you will see improvement in the contract assets and debtor realization both like you saw last year of 40 days in net working capital and the reduction of 43 days to be precise. And similarly, the percentage to top line of contract assets and debtors also coming down, you will continue to see on a quarter-to-quarter basis, but there will be a very positive surprise in March FY '27, and we should be in a leadership position by March '28, what we had in March '19 prior to COVID.

Gunit Singh: Got it, sir. So I mean, unbilled revenues plus receivables for them are between 35% to 45% of revenues. But -- so I mean, what efforts or what steps are we taking to reduce these contract assets? Is it that we will be changing our accounting standards? Or is it that it's, I mean, stuck by -- I mean, money is stuck by a few clients which -- who will be expected to clear them.

And if you can help us understand how much of these contract assets are over 1 year, 2 years, 3 years, so we can get an idea -- I mean, this is regular unbilled revenues or it's, I mean, something which has not been cleared since a long time.

Rohit Katyal: So let me just give you a gist. It's a very long answer. While the data is available, you can connect with our Investor Relations team immediately after the call. But now for example, CIDCO, we have a INR300 crores unbilled revenue, obviously, because of the work done and the milestone payment. Similarly, we have on a INR6,500 crores, nearly INR200 crores of unbilled revenue on MHADA.

These figures may be up 5%, 10% because I'm not having the details in front of me. So we have seen substantial reduction in Raymond. We have seen some increase in NBCC. We have seen the reduction on an absolute basis in MHADA. So the entire data is available.

And since these are all ongoing projects where bills are getting certified every month-on-month and payments are getting received. So you will see these are cyclical. It is not -- nothing is above 1 year or 2 years, 3 years, okay? So everything is over the milestone payments.

The milestone payments are getting built. The current month certification of CIDCO will be in excess of INR60 crores. The revenue is INR35 crores or INR40 crores. So this additional INR20 crores is nothing but the milestones getting billed, all right? So 2 final bills of 2 locations are also going to go to the client in the current quarter.

So obviously, you will see further certification happening. So these are nothing but milestones getting converted. However, I would urge you to see the overall contract assets of 7, 8 players in our sector as a percentage to the top line, and you will see the drastic improvement which Capacit'e has made over the last 3 years.

Gunit Singh: That's great, sir. So I mean, what is the aspirational exit contract assets for FY '27? And I mean, should we consider this INR1,000 crores as a normal BAU contract assets or we aspire to come down to what level?

Rohit Katyal: Obviously, we aspire to come down. But at the same time, if you remember that on INR1,800 crores revenue, this was the contract assets. On INR2,700 crores, this was the contract assets. So obviously, on INR3,200 crores revenue or INR3,150 crores revenue, also the contract assets would be this or tag lower. So we are well on track to reduce it as a percentage of the top line.

Absolute number, we can always discuss offline because I don't have it ready in front of me.

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

Rohit Gupta: Sir, I just wanted to clarify you regarding BDD MHADA, our unexecuted order book still remains INR3,000 crores that will be on...

Rohit Katyal: I'll explain to you. It's a very long answer. I told you that the order -- our portion is 35% on the parent company level. Because we are 35%, we cannot consolidate the revenue. We can only take our portion of profit. What we book as revenue is as a subcontractor to our own parent company that is taken in the stand-alone revenues, all right? Over the next quarters, years, you will see the profit or share from TCC growing, that is the consolidation profit growing and the revenue also as a subcontracts are growing.

Our share is 35%, and we will be executing over the next 6, 7 years, this backlog of -- so to be clear with you, the current certification of TCC with MHADA is in excess of INR2,000 crores. And if the revised order book, including price variation is INR16,000 crores, INR17,000 crores, you can establish what is the backlog and 35% of that is attributable to Capacit'e.

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

Deepak Poddar: So just wanted to understand on the provisioning. I mean, do you expect to again reiterate because last 2 quarters, we have been doing INR10 crores per quarter, right, in terms of the provisioning. How should we...

Rohit Katyal: So impact has happened subsequent to February, okay? I don't see any provisioning coming in, in quarter 2, all right? We will have to wait for quarter 3 how the escalation indices pan out. So yes, in quarter 4 of last fiscal was necessary because suddenly, after the geopolitical tensions, we did see a very serious upsurge in nonferrous metals. And that impact would have happened in quarter 1, quarter 2, quarter 3 of the current fiscal, all right?

And similarly, we have not seen softening of the nonferrous commodities, neither have we seen the price escalation matching up by the increase. That warranted this additional INR10 crores of provisioning in the current quarter. And therefore, I do not see any further provisioning in quarter 2 onwards. However, we shall discuss and give a confirmation about quarter 3 in the next earnings call.

Deepak Poddar: Okay. So this provisioning is largely because of the nonferrous price escalations, right?

Rohit Katyal: Absolutely. Absolutely. And we have copper, we have nearly 55%, 60% of our business coming from public sector. You have electromechanical works in that. And you have obviously sizable aluminum formwork, which has to be purchased.

When it purchases, then you have notional debit of rent or in your terminology depreciation, which happens. So all these impacts, if the purchase price has gone, it has to get impacted somewhere or the other.

Deepak Poddar: Correct. And how are we saying that majority of it can get reversed in third quarter and fourth quarter? What is the thought process?

Rohit Katyal: So till March, the price variation did not move. So if you compare last June to this June, the price variation has been close to 8%, 8.5% which was not even 2% till March, all right? So suddenly, in April, May, the inflation for nonfood items, I'm talking -- referring to nonfood items has moved up. Similarly, at the same time, the June did not see a big tick and therefore, this need for provisioning. However, we do believe that true price will get reflected over the next quarter or 2.

And therefore, a sizable portion of this provisioning, obviously, I'm giving you a clear-cut disclaimer. We do believe a substantial portion of this will get reversed with whatever data are available over the last 7, 8 years period concerning the WPI and commodity linked inflation numbers.

Deepak Poddar: Okay. Okay. Understood. And just one last clarification. When we say EBITDA margin of 16%, 17% -- we are excluding the other income here or...

Rohit Katyal: Excluding. Otherwise, both of us will be happy.

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

Rahul Kumar: Sir, just carrying forward Deepak's question actually, it is just for understanding, but this extra provision which you have created, is this for the -- any specific project? Or is it for the revenues which we have booked in March and June quarter?

Rohit Katyal: No, no, no. This extra provisioning is for materials, which have to be purchased over the next 4 quarters. where we believe at the current situation, the escalation would not cover up the cost. For example, currently in NBCC, we are at an escalation of 6%. We don't believe that 6% will cover the entire cost, point number 1. It is basically referring to the government contracts because in private sector, we do only Shell and core. So there is no electromechanical business over there.

Similarly, if you look at the aluminum windows, which we are fixing in all the government projects, the price has gone up. A substantial portion of that is currently under coverage of price variation. But going forward, if it does not move the way we perceive it should move, then perception cannot make us prudent -- sorry, laid back that we should not provide now and then provide suddenly in quarter 3 and quarter 4. So if you see that the escalation has caught up with the price at which it is being purchased, you will see reversals in quarter 3 and quarter 4. That is what I meant.

Rahul Kumar: Okay. Okay. So just to summarize, this INR20 crores is the potential exposure to this inflation for the projects which are impacted by this commodity inflation?

Rohit Katyal: Which are for the completely impacted, where the escalation at the moment is not covering the total increase.

Rahul Kumar: But for the completion of these projects, let's say, over the next 3, 4 quarters?

Rohit Katyal: Yes. So we cannot foresee beyond 3 quarters, at best 4 quarters to the best of our information, taking into consideration the price increases, these provisions have been made. And if the facts are in favor of the organization, you will see reversal in quarter 3. And if the facts continue, there is easing of the geopolitical tensions and the prices actually fall, then it would be a complete reversal. But I wouldn't like to comment anything strongly on that, but we do expect some reversals to happen, as I explained earlier.

Rahul Kumar: Understood. Understood. Just last question on this working capital. I think you mentioned that you want to be net debt free in the next 8 quarters. Net or gross

Rohit Katyal: Net debt free.

Rahul Kumar: Yes, net debt free, right. But let's say, if we think of March '27, this fiscal, and so last year, we had reduced the working capital by I think, 40-odd days. right? Where do we want to see as a medium-term target for the -- this year-end, where do we want to end up?

Rohit Katyal: See, I'll just tell you, sir, from 2013 till 2020, our net working capital was between 56 to 72 days, all right? Net working capital. Net working capital is the overall impact of reduction of contract assets, more receivables getting converted, net cash flow position from operations. So you saw last year, the cash flow from operations improvement from INR50 crores to INR250 crores, approximately, give and take, INR10 crores, all right? We expect that momentum to continue.

And therefore, these projections. And ideally, I would like to see ourselves at the pre-COVID situation where at which time about INR325 crores was stuck. Today, we have brought that figure down to INR150 crores or thereabouts. And we have a target for the current year of INR50 crores also. We have achieved our target of better than last year, and we are hopefully on track for achieving that in the current year as well.

So all these realizables, which come always directly impact the net working capital contract assets in a positive way. So since we reduced last year by 43 days, we expect, if not that much, by at least 25, 30 days to happen in the current financial year also.

Rahul Kumar: Okay. And rest by FY '28, we end up at.

Rohit Katyal: So absolutely. So the industry has to set up, I believe, your analysts like you all have to set up, whether you all would like to compare the contract assets and plus debtors, excluding retention to turnover or whether you would like to monitor the net working capital. So whatever you all say, we will put into our company's investor presentation every quarter. We'll be very happy to be as transparent as possible.

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

Rohit Katyal: I would like to thank all of you again for joining on this call today. We hope we have been able to address your queries and provide some 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, and thank you for your time and continued support. Bye-bye.

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