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February 19, 2024

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

Scrip code: 540710

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

Symbol: CAPACITE

Sub: Transcript of Earnings Call held on February 15, 2024

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

Dear Sir/ Madam,

In continuation to our letter dated February 09, 2024, we hereby attach transcript of the earnings call held on February 15, 2024 to discuss operational and financial performance of the Company for the third quarter and nine months ended December 31, 2023.

Please take same on record.

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

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

Thanking you

Yours faithfully,
For Capacit'e Infraprojects Limited

Rahul Kapur
Digitally signed by Rahul Kapur
Date: 2024.02.19 17:47:37 +05'30'

Rahul Kapur
Company Secretary and Compliance Officer

Encl: a/a

"Capacit'e Infraprojects Limited
Q3 & 9M FY2024 Earnings Conference Call"

February 15, 2024

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

MANAGEMENT: **MR. ROHIT KATYAL – EXECUTIVE DIRECTOR – CAPACIT'E INFRAPROJECTS LIMITED**
MR. RAJESH DAS – CHIEF FINANCIAL OFFICER – CAPACIT'E INFRAPROJECTS LIMITED
MR. NISHITH PUJARY – PRESIDENT (ACCOUNTS & TAXATION) – CAPACIT'E INFRAPROJECTS LIMITED
MR. AMIT PORWAL – INVESTOR RELATION ADVISOR

Moderator: Ladies and gentlemen, good day and welcome to the Capacit'e Infraprojects Limited's Q3 and nine months FY2024 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the call, please signal an operator by pressing "*" then "0" on your touchtone phone. Please note that this conference is being recorded. Before we begin a brief disclaimer, the presentation which Capacit'e Infraprojects Limited has uploaded on the stock exchange and their website including the discussions during this call contains or may contain certain forward-looking statements concerning Capacit'e Infraprojects Limited's 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. I now hand the conference over to Mr. Rohit Katyal, Executive Director, Capacit'e. Thank you and over to you Sir!

Rohit Katyal: Good morning everyone. On behalf of Capacit'e I welcome everyone to the Q3 and nine months FY2024 earnings conference call of the company. Joining me on this call is Mr. Rajesh Das, CFO, Mr. Nishith Pujary, President (Accounts & Taxation) and Mr. Amit Porwal from our IR team. I hope everyone has had an opportunity to look at our results. The presentation and press release have been uploaded on the stock exchanges and our company's website. The current quarter has been a milestone quarter in the company's history as we achieved highest ever quarterly revenue and profit after tax. Over the past few years while our order book size has expanded significantly, the project under execution has reduced leading to higher revenue contribution per project, better management and improved margin profile. The overwhelming response to our Rs.200 Crores QIP depicts Institutional Investor's continued confidence in our business model. We are embarking towards a higher growth phase backed by a diverse order book from distinguished clients in both public and private sectors. The equity infusion and additional tie-up of non-fund-based limits from banks has improved our liquidity position significantly. This coupled with execution ramp-up across projects will help us further improving our working capital cycle and profitability. With the healthy order book and sustained order inflow and our documented expertise in executing and delivering projects on time, we are optimistic that we shall witness a healthy and sustainable growth.

Key updates, the company achieved its highest quarterly turnover, EBIT, PBT and profit after tax. We believe the momentum will continue. The project ramp up has gained significant momentum reflected partially in Q3 numbers and shall reflect totally in Q4 of the current financial year and onwards. The order bid pipeline and inquiries remains strong from both private and public sector clients across segments. We are witnessing overall positive and healthy shift towards quality contracting companies. The company has already received orders worth Rs.1725 Crores during the nine month period ended December 31, 2023.

Consolidated performance highlights for Q3 FY2024. Revenue from operations stood at Rs.481 Crores compared to Rs.443 Crores in Q3 FY2023. EBITDA for Q3 FY2024 stood at Rs.89 Crores compared to Rs.90 Crores in Q3 FY2023. EBITDA margin for Q3 FY2024 was at 18.5%. EBIT for Q3 FY2024 stood at Rs.63 Crores as compared to Rs.56 Crores in Q3 FY2023. EBIT margin for Q3 FY2024 stood at 13% as compared to 12.4% in Q3 FY2023. PAT for Q3 FY2024 stood at Rs.30 Crores as compared to Rs.23 Crores in Q3 FY2023. PAT margin for Q3 FY2024 stood at 6.1% as compared to 5.1% in Q3 FY2023.

Consolidated performance highlights for nine months FY2024. Revenue from operations for nine month FY2024 stood at Rs.1333 Crores as compared to Rs.1352 Crores in nine months FY2023. EBITDA for nine months FY2024 stood at Rs.243 Crores as compared to Rs.275 Crores in nine months FY2023. EBITDA margin for nine months FY2024 stood at 18% as compared to 20% in nine months FY2023. EBIT for nine months FY2024 stood at Rs.163 Crores compared to Rs.167 Crores in nine months FY2023. EBIT margin for nine months FY2024 is at 11.4% as compared to 12.3% in nine months FY2023. PAT for nine months FY2024 stood at Rs.69 Crores compared to Rs.74 Crores in nine month FY2023. PAT margin for nine months FY2024 stood at 5.1% as compared to 5.4% in nine months FY2023.

Gross debt stood at Rs.345 Crores with gross debt to equity ratio at 0.27. Net debt stood at Rs.190 Crores with net debt to equity at 0.15x. These figures do not include the infusion from QIP which happened in the early part of January 2024. The working capital cycle stood at 123 days in Q3 FY2024 as compared to 152 days in Q2 FY2024. We are focused towards meaningful reduction in working capital cycle during the current financial year and going forward. The company continued his focus on increasing execution across projects. The order book on standalone basis is Rs.9670 Crores as on December 31, 2023 public sector accounts for 65% while private sector accounts for 35% of the total order book. Thank you. Now the floor is open for questions if you have.

Moderator: Thank you very much. We will now begin the question and answer session. Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question is from the line of Dhananjay Mishra from Sunidhi Securities. Please go ahead.

Dhananjay Mishra: Congratulation on delivering improved quarterly performance so can you give some detail in terms of which key orders which contributed in quarterly revenue in this quarter and also how is the billing happening in terms of monthly billing for CIDCO and collection figure at present and thirdly key order which will be contributing for next financial year in terms of revenue?

Rohit Katyal: Yes so practically all the ongoing projects have contributed in this quarter. Project wise details can be taken from our IR Department, Mr. Amit. We see significant improvement in Q4 across projects so there is no one single project which will stand out as contributor while CIDCO will be the biggest contributor on volume basis. MHADA has started contributing Rs.17 Crores to Rs.18 Crores per month. Raymond is contributing Rs.22 Crores. M3M is contributing about Rs.13 Crores to Rs.14 Crores, so all projects across the company are delivering at nearly 90% to 95% of the projected revenues and we expect this to continue into Q4 which should again be the highest revenue grossing quarter in the company's history.

Dhananjay Mishra: So what is the annual contribution you are expecting next year for CIDCO in terms of overall revenue?

Rohit Katyal: We are expecting Rs.600 Crores to Rs.750 Crores of revenue from CIDCO in the next financial year.

Dhananjay Mishra: So monthly run rate is we have reached Rs.50 Crores something in this quarter?

Rohit Katyal: Our monthly run rate is Rs.35 Crores but it will be Rs.50 Crores from April onwards. We should be close to Rs.45 Crores in March of this financial year.

Dhananjay Mishra: Secondly this debtors number is looking on higher side because first nine months we are kind of flattish in terms of revenue and we are at close to Rs.740 Crores so which project we are expecting you are saying that this is going to improve so from where you are expecting more collections happening?

Rohit Katyal: We are expecting the collection of Rs.500 Crores cumulatively in Q4 of the current financial year. As we speak to you this number has already come down significantly.

Dhananjay Mishra: What is the bid pipeline size for us as of now?

Rohit Katyal: Over the next five months we will be bidding for projects worth Rs.29000 Crores in the public sector, private sector will be on invitation and more probably will be repeat orders from existing clients.

Dhananjay Mishra: How much you said bid pipeline number?

Rohit Katyal: Rs.29000 Crores is identified. How much the company bids will depend on the order wins over the next three to four months.

Dhananjay Mishra: All these tenders will be finalized in next six to 12 months?

Rohit Katyal: Yes. These days no tenders are kept pending beyond two months so that is a positive sign in the public sector so the bidding will be more for CPWD, PWD or various states and therefore we do not expect the billing timeline to award timeline to be more than two months whether we get it or anyone else gets it.

Dhananjay Mishra: Thank you.

Moderator: Thank you. The next question is from Prateek Bhandari from AART Ventures. Please go ahead.

Prateek Bhandari: Good morning. Sir can you just do a bifurcation of your order inflow in the nine months FY2024 in terms of the current quarter that is Q3 and what you are expecting as an order inflow in Q4?

Rohit Katyal: We have given a target that Rs.2200 Crores will be the total order inflow for the full year FY2024. We are well on track on that. We already are L1 in one major project. An award of that should complete our yearly target; however, if you remember last year instead of Rs.2000 Crores we had an order inflow of Rs.3400 Crores so such thing happens in a construction company and therefore you have to see the order book over the last two-and-a-half, three financial years rather than looking at a quarter or a half yearly period. However answering the question in Q4 we expect two repeat orders from existing clients. This is not a commitment this is the indication which the client has given us and we expect maybe one project to be awarded from the public sector side in Q4 current financial year.

Prateek Bhandari: Alright and like do you have any plans to do a QIP in the next financial year?

Rohit Katyal: I do not know but I just mentioned we did a QIP after six years in January that is more than sufficient. We have already tied up our limits with the banks so there is no question of doing any further QIP.

Prateek Bhandari: Do you see the margins to be maintained in the same range or do you see them to be improving in FY2025 and what would be the revenue growth in terms of FY2025 if you can throw some color on that?

Rohit Katyal: We definitely know that 25% growth is given number one. Number two the margins not because of any input cost reduction but because of indirect cost coming down due to increase in revenue there definitely will be an improvement in EBIT and PAT of the company.

Prateek Bhandari: So what would be the range of the margins in that case?

Rohit Katyal: We have always guided you for 12.5% EBIT if there is an improvement on that it should be appreciated.

Prateek Bhandari: Alright. Thanks a lot.

Moderator: Thank you. The next question is from the line of Shreyans Mehta from Equirus Securities Private Limited. Please go ahead.

Shreyans Mehta: Thanks for the opportunity. Sir now that the funds are in place how do you foresee the Q4 playing out and as you highlighted probably we are targeting 25% growth in FY2025 so is it contingent on any further fund raise or this much funds which we have currently will be enough to sustain that 25% growth?

Rohit Katyal: The liquidity position is more than comfortable will be taking care of the revenue increase not only for the next financial year but beyond that okay so there is no plan of raising any further equity. I clarify no further equity whether pref, QIP or whatever other mode in the foreseeable future. With the tie-up of Rs.225 Crores from State Bank of India already in place the bank guarantee limits about 60% have already been tied up, remaining tie-up will be done from UBI and PNB in the current quarter itself latest by maybe April 15, so even from the non-fund-based requirement we foresee that the bank guarantee requirements up to June 25 would have been tied up which not only will ensure the growth momentum both in revenue and in order book but also will maintain a very strong liquidity whether in form of working capital limits or free cash on balance sheet of close to Rs.100 Crores at any given moment of time.

Shreyans Mehta: Sure and Sir if you could highlight Q4 what could be the run rate?

Rohit Katyal: We do believe that from February onwards the company should start crossing Rs.200 Crores of revenue and therefore definitely you should be close to Rs.600 Crores if not better than that.

Shreyans Mehta: Got it and on top of it we are eying so we should be closing the year at say closer to Rs.1800 odd Crores and 25% growth next year?

Rohit Katyal: So Rs.1900 plus Crores is given as I see it at the moment when I speak to you, 25% is Rs.2400 Crores and if we you do Rs.600 Crores there is no question why we will not do Rs.2400 Crores next year that is given.

Shreyans Mehta: Got it. Sure Sir. Secondly Sir this quarter the margins were on a higher side and so were there any provisional reversals or anything at the EBITDA level?

Rohit Katyal: Nothing as your revenue will increase your indirect cost as a percentage to revenue will fall resulting in better margin profile.

Shreyans Mehta: Got it. Sure and Sir in terms of our capex how much have we done till nine months and for Q4 and how much for the next year?

Rohit Katyal: The Q4 addition has been about Rs.6 Crores so the total addition in the full year have been lesser than Rs.30 Crores and our target was to maintain it below Rs.45 Crores so that we can have free cash and that is what exactly the company is being focused on and doing.

Shreyans Mehta: Got it and Sir any number for next year?

Rohit Katyal: Rs.45 Crores. If there is any change we will intimate in the next conference call.

Shreyans Mehta: Sure and Sir last question from my side CIDCO as you highlighted probably Rs.600 Crores to Rs.750 odd Crores for FY2025 what should be the number we should be looking for the MHADA project?

Rohit Katyal: MHADA currently is at Rs.16 Crores plus. Two more buildings are starting at capacity at standalone level that should start from April or May. Therefore starting July you can easily anticipate revenue of Rs.20 Crores up till October and from October onwards Rs.25 Crores per month.

Shreyans Mehta: Sure. That is it from my side. Thank you and all the best.

Moderator: Thank you. The next question is from Parvez Qazi from Nuvama Group. Please go ahead.

Parvez Qazi: Good morning and thanks for taking my question. Sir my first question is regarding the working capital limits that you just alluded to so post our QIP what is the kind of working capital limits both fund-based and non-fund-based that we have tied up and what is it that we plan to let us say do in the near future?

Rohit Katyal: The total assets limits excluding CIDCO and MCGM are Rs.113 Crores as assessed by State Bank of India. Out of this the fund-based limits have been totally tied up and out of the remaining Rs.400 Crores gap Rs.225 Crores has been tied up from State Bank of India as non-fund and the remaining Rs.175 Crores will be in place in March from Punjab National Bank and UBI. The proposals are already in their respective head offices.

Parvez Qazi: You did talk about that we will be able to bring our debtors levels down when all these working capital limits are in place so let us say an year down the line and after let us say posting a 25% kind of revenue growth what is the kind of debt levels that you anticipate let us say at the end of FY2025?

Rohit Katyal: You see on the gross level already the debt is at Rs.310 Crores as I speak to you. You are visualizing this is apart from the Rs.125 Crores that the company carries in cash and Rs.150 Crores of fixed deposit which the company has, so as I talk to you the net debt is not there the net debt company is net debt free. Now what is the company's intent to go gross debt free over the next seven to eight quarters, now how that will happen since we have the guarantees in hand before June 30 of this financial year the company will be getting back Rs.100 Crores of its retention money. Rs.100 Crores of retention money will do two things it will bring down the creditor levels or it will bring down the debt level alright. Number two we will now be in a stronger position to claim our advances against new orders though it will be a liability on the balance sheet but it will definitely bring down the debt level because that money will be parked in the line of credits with the consortium and the banks. So overall answering your question we do see that there will be a reduction in debt or gross debt of close to Rs.75 Crores over the next 12 months if not more; however, gross debt is a figure of the entire borrowings. We have not reduced it by the cash carried by the company in the current accounts of the company so answering your question there will be meaningful reduction of Rs.75 Crores on gross level. Obviously the company will carry free cash apart from that.

Parvez Qazi: Sure and in terms of your bid pipeline what are the major segments, etc., where we are targeting in terms of segments and whether these belong to hospital buildings or these are private sector office orders, what kind of orders are we talking about?

Rohit Katyal: The traction is very strong across sub segments of the building segment so at the moment on the government side Central Vista will offer opportunity for commercial buildings. CPWD and PWD are offering a lot of opportunity on the healthcare, hospital and medical colleges side. The traction in PMAY wherein another 1 Crores houses have been added by just the central government in the recent interim budget will throw up the opportunity as well. There is strong traction for police housing; we see bids of close to Rs.10000 Crores happening over the next four to five months so answering a question that is traction across the company obviously will look at commercial and healthcare with more keenness but that in no way means that we will be averse to residential projects. As you are aware that we have some of the best clientele in the private sector as well and all of them are looking at serious growth in the coming year and the next four to five years and obviously their growth will translate into our growth proportionately.

Parvez Qazi: Lastly you mentioned about being L1 in an order so what is the size of that?

Rohit Katyal: It is about Rs.500 Crores plus.

Parvez Qazi: Sure. Thanks and all the best for future.

Moderator: Thank you. The next question is from Parikshit Kandpal from HDFC. Please go ahead.

Parikshit Kandpal: Congratulations on a good quarter Sir. Sir my first question is on this fund raise of Rs.200 Crores so we have an order book of Rs.9670 Crores so just wanted to understand so pre-fund raise and post-fund raise so what would have been the impact on execution just because of these funds being not there so at what level of like we would be under servicing our execution on this order book and with this ammunition now with us so immediately what could be the recoil or on the execution to the normalized level with this funding?

Rohit Katyal: The first target is to have a run rate of Rs.200 Crores plus per month which we are extremely hopeful of achieving from this month itself number one. Number two not only the fundraise but the tie-up of bank limits also means that we shall have our retention close to Rs.200 Crores with us starting February and ending June maybe we can achieve that by May itself, so these two things are put together means that we are well equipped very easily in the midterm to achieve quarterly revenue of Rs.800 Crores. I am not guiding you for Rs.800 Crores I said we are well equipped in the midterm to achieve quarterly revenue of Rs.800 Crores so as I speak to you Rs.600 Crores is given. We have guided for 25% growth and definitely we will be trying to better that from both because all the projects currently under execution are fully ramped up from equipment perspective and resource perspective and whatever projects are in the initial stages of start they will get ramped up in this quarter itself so that next year our targeted revenue of 25% growth minimum is achieved and that can be visible from the Q1 itself.

Parikshit Kandpal: This 25% growth so this midterm means what if your targeted growth so it will be more targeted to a second half of FY2025 so some of the quarters maybe Q3 or Q4 or will start hitting between now Rs.600 Crores to Rs.800 Crores?

Rohit Katyal: Rs.600 Crores we will be hitting in Q1 itself. Q2 it is depending on monsoon but we should in all probability do Rs.600 Crores in Q2 of the current financial year itself. Q3 and Q4 you will see a ramp up; however, I am maintaining a 25% growth for the next financial year which is approximately Rs.2400 Crores plus.

Parikshit Kandpal: Sir just on the ordering bit we have seen some of the peers like bagging lot of orders so we just because of this funding not being in place have we lost the market share and now with this funding and the money is coming back from retention and all so are we well equipped to now significantly ramp up and show inflows growth over the next three to four quarters and get back our market share?

Rohit Katyal: You are aware that I have always maintained over the years that the revenue ramp up does not happen purely on the order book but it happens if that you have 25 projects and can you do Rs.15 Crores revenue per project. That does not mean that if some project gives an opportunity of Rs.50 Crores per month we will not do that so with today the number of projects being 24 we are well poised to take another five to six projects. Yes availability of bank guarantees will help significantly and we have started bidding strongly across segments that is number one. Number two, four projects which can add revenue of let us say Rs.60 Crores per month that is the first target which obviously takes your company's revenue to Rs.250 Crores per month if that is what you are trying to reach at. However there has been no sluggishness in taking any order. You will know that RLDA certain smaller players came and took the projects. Four such contractors have already abandoned the projects and it is up for recall. Our company will participate along with other mature contracting companies so there is no hurry. Your company's order book on standalone is Rs.9600 Crores so there is no need to go and pick up any order which adversely impacts your EBIT or PAT or for that matter cash profit so there is enough opportunity. The bid pipeline as I just mentioned over the next five months identified by us is Rs.29000 Crores. There is significant opportunity to add a couple of thousand Crores within this period and at the pricing at which we and our matured peers are working at so that is what the focus of the company is.

Parikshit Kandpal: Comparing in FY2023 or FY2022 in the nine months FY2024 so I understand the bid pipeline must have been much higher but our participation rate or actual bid submitted so was it like significantly down if you can quantify how much you would have bid for nine months FY2024 versus what was available to bid?

Rohit Katyal: You see that last year we had a target of Rs.2000 Crores order inflow. We had an inflow of Rs.3400 Crores orders. If you add Rs.3400 Crores to the current nine month period of Rs.1725 Crores that crosses Rs.5200 Crores so as it is on a continual basis we are much higher than our target. In the private sector there is no bid pipeline or bidding activity it is always on invitation you are aware of that and we are looking forward to two more repeat orders in the current quarter and therefore we have not participated for any new client except what clients we already have in the current financial year except one addition of M3M. Point number two in the government side we have not participated too much in the first nine months because we were not in a position to collect advances. Now with the bank guarantee limits being in place we are in a position to claim advances and therefore the bidding intensity will increase month-on-month starting immediately and therefore I just mentioned that whatever bid pipeline we have identified that those will be the projects we will be bidding for in the coming four months.

Parikshit Kandpal: So basically there is an upside risk to info guidance if some of these government contracts come at your margins and you are able to convert them into wins?

Rohit Katyal: Private sector continues. Government sector we still have not recognized Rs.3000 Crores of MHADA project so you have to keep that in mind and MHADA project at the JV level we are executing Rs.65 Crores per month.

Parikshit Kandpal: But this Rs.29000 Crores how much will be public and private in this your estimate on that?

Rohit Katyal: This Rs.29000 Crores only public sector. Private sector will be repeat order basis. We still believe that over the next six to seven months how much ever we may say no we should at least have Rs.1000 Crores plus from the private sector alone.

Parikshit Kandpal: Thank you and wish you the best.

Moderator: Thank you. The next question is from the line of V P Rajesh from Banyan Capital Advisors. Please go ahead.

V P Rajesh: Thanks for the opportunity. The debts that we have taken from bearings a few years back, I just wanted to know when does that mature because that was a very high interest rate that we have taken so are we planning to repay it or we are going to?

Rohit Katyal: It is already prepaid in November or October sometime so there is no bearing outstanding in our books. It is prepaid one and a half year in advance.

V P Rajesh: Wonderful great. Thank you.

Moderator: Thank you. The next question is from the line of Aditi from Flute Aura. Please go ahead.

Aditi: Thanks for the opportunity. Most of my questions have been answered. I just had one small query on depreciation. So from what I can see is in the last two quarters basically current and the last one we have seen around 27 Crores of depreciation expense, but Q3 of FY2023 we had a one-off of 34 Crores so can I assume that the depreciation will be stabilizing at these levels of 26-27 Crores?

Rohit Katyal: Absolutely.

Aditi: That will be it. Thank you so much.

Moderator: Thank you. Next question is from Subrata Sarkar from Mount Intra Finance. Please go ahead.

Subrata Sarkar: No, all my questions have been answered. Thank you.

Moderator: Okay. We will move to the next question. Next question is from Yash Modi from Ashika Group. Please go ahead.

Yash Modi: Good afternoon Sir. My question was with regard to the credit rating upgrade now that we have got the 200 Crores QIP money what is the status on the credit rating upgrade from the agencies if you have heard from them?

Rohit Katyal: So the credit rating issue was related to bank tie-up which has happened. QIP raise is additional bonus, the documents have been provided to the rating agency and if we are on the job you should hear from us very soon.

Yash Modi: What kind of interest rate savings are we looking at from this because I guess you have paid back some high cost NCDs from the money raise so what kind of interest cost saving can we look at from Q4 onwards?

Rohit Katyal: On an absolute level you will see reduction in the finance cost on the next financial year the exact quantification can be taken from our IR team.

Yash Modi: Sure. Thank you so much. That will be helpful.

Moderator: Thank you. The next question is from Faisal Hawa from H.G Hawa and Company. Please go ahead.

Faisal Hawa: Sir is it a right statement to make that from here on we can actually choose our orders according to payment conditions of the customers and even with our past experiences we can also be very strict on EBITDA criteria or is it not that simple?

Rohit Katyal: Private sector we have already done that across. We have gone 100% project specific. No funds or working capital infused to project A can be shifted to Project B, if some client does not pay the project will automatically be put on hold so that is very clear. As far as choosing the project that is what we have been doing over the last three years else the double blow of IL&FS and COVID could not have been sustained. So that is exactly what we are doing, we are ever to taking any project which will negatively impact our overall EBIT or PAT or cash PAT margins and yes we have the labor not we all mature clients the order books are full so all have the opportunity to pick and choose.

Faisal Hawa: Will we be not committed but most probably we will not go outside Mumbai?

Rohit Katyal: No, that was a strategy which we had explained during COVID period where clients had not paid us for 9 months at a stretch in private sector, subsequently now we are there in Gujarat Gift City constructing the headquarters of IFSC International Financial Services Center, we are there in Delhi NCR, in Delhi NCR we are already there in Noida with a 450 Crores contract and you will see the contribution from these two states increasing significantly over the coming quarters, it was never the intention to come back only as a Mumbai based player, we were there present in seven major cities and the focus is that to grow more in the same cities, but in a more healthier manner over the next two to three years so we are already there in these three geographies and our contribution from these geographies will continue to grow.

Faisal Hawa: Two more questions. One is that what part of our private sector orders are without materials where we are just on a labor base and the materials are supplied?

Rohit Katyal: About 800-900 Crores worth of orders are without the value of concrete and steel.

Faisal Hawa: There is any kind of escalations and all have now built up so we cannot basically hurt by that.

Rohit Katyal: Escalations?

Faisal Hawa: Yes, like any cement prices rising or any what part of that would be difficult to get.

Rohit Katyal: No, all our government CIDCO is full pass through, MHADA is escalation based on steel and cement and oil and WPI, so Gift City we have steel and cement escalation, now MCGM we have that, so all the projects what we are executing there is no question of picking up any project without price variation clause.

Faisal Hawa: Can you give me two steps that you have taken now that we are unburdened by the finance problems can you give me two steps that we have taken to really improve our execution on a quarterly basis because with so many orders there are deadlines and plus the market is awaiting very good execution from our end?

Rohit Katyal: Sir we have now just pressed the pedal of execution and as I told you, you will see that in the current quarter itself. You have seen partially in the last quarter, we have gone to 482 and that more so is the resultant of the ramp up from mid November to end of December after having prepaid the bearing debt in totality. Now with this QIP funds in place you will see a serious ramp up in Q4 of the current financial year and that ramp up will continue over the next financial year and if you consider only 600 Crores per quarter next year you will be there delivering a 25% plus growth year-on-year. Now we are committed towards that, that is the guidance already given, so there is no nothing fancy which the company needs to do, the company has been executing projects, it has to ramp up the speed which is already done number one. Number two we will be overtly responsible while choosing our private sector clients. These are two things that the company has been doing, will continue to do and obviously the other safeguards like keeping the debt is under control in the various government and private sector clients.

Faisal Hawa: Mainly it was the finance which was really burdening us and keeping us behind so that has been solved, what you are saying is you need not actually, most of the systems were in place, but it was the finance which was bothering us?

Rohit Katyal: Absolutely if your 100 Crores of retention cannot come and 100 Crores of advances cannot come then you have to grow only as per your cash flow availability with additional cash and bank guarantee is now being available your growth has to accelerate by 25%-30% minimum.

Faisal Hawa: Thanks a lot.

Moderator: Thank you. The next question is from the line of Nupur Banka from Stellar Asset Management. Please go ahead.

Nupur Banka: Good afternoon Sir. This might be a repeat question. Actually I just wanted an update regarding our current 9 months order book and what order book do we expect closing this financial year in total?

Rohit Katyal: We already have received orders worth 1725 Crores; we should close the current financial year with 2200 Crores of additional orders inflow for the current financial year.

Nupur Banka: That is it. Thank you so much.

Moderator: Thank you very much. That was the last question in queue. I would now like to hand the conference back to Mr. Rohit Katyal for closing comments.

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

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