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Date: August 17, 2020

To,

The Secretary, BSE Limited Corporate Relation Dept. P.J. Towers, Dalal Street, Fort, Mumbai-400 001	The Secretary, National Stock Exchange of India Limited Plot No. C/1, G Block, Bandra Kurla Complex Bandra (East) Mumbai-400 051
Scrip Code – /Scrip Id: 540710/CAPACITE	Scrip Symbol: CAPACITE

Dear Sir/ Madam,

Sub: Transcript of the Analyst/ Investor Conference Call held on August 12, 2020

Dear Sir

We refer to our letter dated August 08, 2020 regarding the Intimation for Earnings Conference Call with Analysts/Investors to discuss the Operational and Financial performance of the Company during Q1 and FY21 which was scheduled on Wednesday, August 12, 2020 at 11:00 a.m. (IST).

In this regard, we are attaching herewith the transcript of the conference call as required under Regulation 30 read with Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This is for your information and records.

Thanking you,

**Yours faithfully,
For Capacite Infraprojects Limited**

Varsha Malkani
Company Secretary & Compliance Officer



Encl: a/a

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Capacit'e Infraprojects Limited

Q1 FY21 Results Conference Call

12th August 2020

ANALYST: Mr. Viral Shah - Prabhudas Lilladher Private Limited

MANAGEMENT: Mr. Rohit Katyal - Executive Director & Chief Financial officer
Mr. Alok Mehrotra - President Corporate Finance
Mr. Nishith Pujary - Head of Accounts

- **Moderator**

- Ladies and gentlemen, good day and welcome to Capacit'e Infraprojects Ltd. 1Q FY21 results conference call hosted by Prabhudas Lilladher Private Limited. This conference call may contain forward looking statements about the company which are based on the belief, opinions and expectations of the company as on date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict. 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 conference please signal an operator by pressing star and then 0 on your touch tone telephone. Please note that this conference is being recorded. I now hand the conference over to Viral Shah of Prabhudas Lilladher Private Limited. Thank you, and over to you, sir.

- **Mr. Viral Shah – Prabhudas Lilladher Pvt. Ltd.**

- Thank you, good morning everyone, I welcome all the participants to the 1Q FY21 results conference call of Capacit'e Infraprojects. We have with us Mr. Rohit Katyal, Executive Director and Chief Financial Officer of the company. Mr. Alok Mehrotra, President of Corporate Finance and Mr. Nishith Pujary, Head of Accounts. We will commence the call with the opening remarks from Mr. Rohit Katyal to give an overview of the company's performance, this would be followed by a Q & A. Now I would like to hand over to Mr. Rohit Katyal to begin with the opening remarks. Over to you sir, thank you.

- **Mr. Rohit Katyal – Executive Director & Chief Financial Officer, Capacit'e Infraprojects Limited**

- Good morning everyone, and I hope everyone is safe and healthy. A warm welcome to our Q1 FY21 Earnings Conference Call. Along with me I have Mr. Alok Mehrotra, Mr. Nishith Pujary and our investors relations team. I hope everyone has had an opportunity to look at our results. The presentation and press release have been uploaded on the stock exchange's and our company's website. Before I take you all through the operational and financial performance I would like to highlight a few points. The 1st quarter was a washout quarter for most of the construction industry. The lockdown which was initiated at the end of March 2020 led to disruptions in operations, supply chain operations and labour availability which resulted in operating of sites at negligible levels during the period of lockdown. As most of our projects are in the MMR and Pune region we were unable to ramp up operations due to restrictions imposed by government. I believe that performance for this quarter therefore cannot be compared with figures on YoY or QoQ basis. Considering the challenging environment when lockdown restrictions were eased, we increased pace of execution in projects with large customers consisting the majority of our order book. I am happy to share that as of end of July '20 we have commenced work on 90% of our order book which is even higher for public sector at approximately 99%. We have also undertaken several cost saving initiatives to reduce our breakeven levels while managing the increase in additional Covid-19 related costs. Going forward our strategy is to focus on bidding for government clients in the midterm, ramping up operations to ensure complete stabilization of revenue in Q3 and improvement in Q4 '21, reducing working capital cycles to pre Covid level before March 31st 2021. We expect government's focus towards development of infrastructure as well as increased investments under the Make in India program to lend support to demand for building them factories which will open up a lot of opportunities for us. Further the quality and timely delivery of the projects will tilt the market share more in favour of organized players in the industry, and we at Capacit'e expect to benefit from that share.

- Now allow me to give you an overview of our operational performance. Our total order book as on June 30th 2020 at standalone basis stood 10,386 crores. Residential segment constitutes 27% of the order book, commercial and institutional constitutes 20% and mixed use segment constitutes 53%. Work has started on 32 sites by end of July which comprises 90% of the order book. Our order book from public sector which is included in the above order book at the end of June 30, 2020 stood at 5,710 crores comprising 55% of the total order book. Work has started on almost the entire order book. A large part of our public order book is an order from CIDCO, I am happy to share that we have started work on 5 out of 7 locations, the balance work will start shortly by August end and September end for each site respectively. We expect to gain significant momentum in execution by the end of Q2 FY21 which will lend good visibility for our revenues and cash flows in the coming quarters. A good part of these projects besides scale of

operations it also offers us very healthy working capital support which bodes well for us from revenue recognition purpose.

- Our order book from the private sector as at the end of June 30th 2020 stood at 4,676 crores i.e. 45% of the total order book. Almost 2,700 crores of this order book comes from large developers with extremely strong balance sheets and cash flows. Our continuous focus on client quality and cash flow monitoring has certainly strengthened our business model especially in these challenging times. Our standalone financial performance for Q1 '21 is as follows. Total income to that 28.8 crores as compared to 418 crores witnessing a decline of 93.1%. Our execution as already informed was adversely impacted during the quarter due to the nationwide lockdown restrictions imposed by the government and subsequent mass migration by workmen. Loss at EBIDTA level for Q1 FY 21 is 18.4 crores as compared to positive EBIDTA of 76.5 crores in Q1 FY '20. The debt to equity ratio, at the end of June 30, 2020, stood at 0.08. With this I now leave the floor open for questions, thank you.

- **Moderator**

- Thank you very much, sir. Ladies and gentlemen, we will now begin with the question and answer session. Anyone who wishes to ask a question may enter * and 1 on their touch tone telephone. If you wish to remove yourself from the question queue you may press * and 2. Participants are requested to use handsets while asking a question. Any participant who has a question may enter * and 1. Ladies and gentlemen, we will wait for a moment while the question queue assembles.

- Our first question is from the line of Mohit Kumar from IDFC Securities, please go ahead.

- **Mr. Mohit Kumar – IDFC Securities**

- Yeah, good morning, sir, and thanks for the opportunity, so you did speak about the fact that 90% of your sites are, you know, some work has started but can you comment on the labour availability at the site and how it is ramping up and when do you expect it to be normal. And given the current run rate currently in your outlook, do you expect Q3 to be completely normal.

- **Mr. Rohit Katyal – Executive Director & Chief Financial Officer, Capaci'te Infraprojects Limited**

- Yeah, coming to your question on labour availability we have added about 2,500 people in July and currently the strength is 4,000 plus. So the strength which had come down to less than 600 sometime in June now stands at 4000 plus. And since the movement has started and we are airlifting from certain places, we believe that the strength will be 5000 plus by this month end which will basically take care of the core requirement, balance labour can get added over the next couple of months. Because CIDCO will

require labour only starting October because currently mechanised works are going on. Second question of yours concerning quarter, stabilization of revenues by quarter 3. We do expect substantial stabilization, however, we do not want to firmly commit because things are still fluid from Covid perspective. If there are no further new surprises, we believe that quarter 3 stabilization activity will stand completed and there will be improvement in quarter 4 from revenue perspective.

- **Mr. Mohit Kumar – IDFC Securities**

- Yes, I understand the challenges, but, sir, is there any update which you can share on the CIDCO and Mhada BDD Chawl order book, is there something happening out there. How is it ramping up, both the places?

- **Mr. Rohit Katyal – Executive Director & Chief Financial Officer, Capaci'te Infraprojects Limited**

- So CIDCO we will start our invoicing from the current month and we expect ramp up of revenue from quarter 3 onwards and we will start peaking our revenues by quarter 4. So there is the depth of positive news which I earlier also shared in my opening remarks. As far as Mhada is concerned the transit camp work has started, the piling works have started and we believe that by quarter 3 the commercial building which would be approximately 1300 crores will start giving revenues also. So during the last quarter I had mentioned there will be a look ahead of about 2000 crores over the next 2-2and ½ years and we are well on course if you leave these 5 months of Covid behind us.

- **Mr. Mohit Kumar – IDFC Securities**

- The last question, sir, how is the private order book moving in the sense that do you expect education to pick up in this quarter or do you expect it to be slower compared to your public order book.

- **Mr. Rohit Katyal – Executive Director & Chief Financial Officer, Capaci'te Infraprojects Limited**

- So public order book ramp up is starting from this quarter. As far as our private order book is concerned, we have already seen improvement and we believe that there will be substantial revenue which will be added in this and the next quarter from the private order book as well. And therefore I had mentioned that you will see improvement in quarter 4 over the last financial year. Okay, so that's what I have mentioned, so whenever I'm saying order book, private order book also is seeing significant improvement. Right from Phoenix to Oberoi, to Brookfield, to projects being executed for K. Raheja and so on and so forth. We have ramped up nearly 400 people at Piramal and Raymonds also, so labour improvement is significant and I do believe that for most of these projects September should be a normal month.

- **Mr. Mohit Kumar – IDFC Securities**
- Thank you and understood, sir, best of luck.
- **Moderator**
- Thank you, our next question is from the line of Suraj Navinder from Prithvi Finmart, please go ahead.
- **Mr. Suraj Navinder – Prithvi Finmart**
- Hello, sir, good morning sir. Sir, if I am not wrong, sir, in the last concall you had said that the bill finalization part had not taken place because there was lockdown in last 10 days of March. So I was expecting some spill over effect that those bills will get certified in this quarter. So I think that hasn't happened, so can you clarify on that.
- **Mr. Rohit Katyal – Executive Director & Chief Financial Officer, Capacit'e Infraprojects Limited**
- You see that the lockdown and most of the offices were closed up till June in Mumbai and Pune, right, while we started the operations at the project sites but the client billing engineers were not available. However, in the intervening period starting July 1st till today nearly 80% of those uncertified bills have been certified already. So you will see normalcy by the end of quarter 2 and that's the reason why the bills could not be certified which remain uncertified on March because we had our conference call in June, alright. The lockdown had not eased out by that time so therefore a substantial billing has been certified in July and August and you will see normalcy in all the certifications by quarter 2 end, that's not a challenge.
- **Mr. Suraj Navinder – Prithvi Finmart**
- So in Q2 we may see once, you know, abnormal jump in the revenue booking, so am I getting it right.
- **Mr. Rohit Katyal – Executive Director & Chief Financial Officer, Capacit'e Infraprojects Limited**
- No, sir, you are asking for bill certification, uncertified work done is billed already. When it becomes certified it just moves from uncertified bills that is other financial assets to certified sales, receivables.
- **Mr. Suraj Navinder – Prithvi Finmart**

- Okay, and, sir, just another point, sir, you said that we are around at 4,500 workmen so if I remember correct you said we had around 10,000 workmen before Covid lockdown. So we are at 45% of the work force right now, right.
- **Mr. Rohit Katyal – Executive Director & Chief Financial Officer, Capacit'e Infraprojects Limited**
- No, what I had mentioned is that around 9000 were the workmen, and balance were technicians. The question was asked about only workmen not technicians, technicians we continue to have our strength what we had prior to the Covid, that's not a challenge. The workmen of 9,221 that had reduced to 600 which currently is at 4,000 plus. And I said that we will be increasing that very easily to 5000 plus by this month which will focus on the core because we are not concerned about the unskilled labourers. The problem was the carpenters, the fitters the bar benders, so that core will be completed by this month end and the balance additions will happen over September and October.
- **Mr. Suraj Navinder – Prithvi Finmart**
- Okay, sir, thank you, thank you very much, sir.
- **Mr. Rohit Katyal – Executive Director & Chief Financial Officer, Capacit'e Infraprojects Limited**
- Thank you.
- **Moderator**
- Thank you, our next question is from the line of V.P. Rajesh from Banyan Capital, please go ahead.
- **Mr. V.P. Rajesh – Banyan Capital**
- Yeah hi, thanks for the opportunity, my question was regarding the debt we are currently carrying and what is the cash and the balance sheet.
- **Mr. Rohit Katyal – Executive Director & Chief Financial Officer, Capacit'e Infraprojects Limited**
- So the total cash on the balance sheet is 320 crores approximately and the total debt, just a second I'll give you the exact figure. So the gross debt is 308 crores, plus current maturities , so total 345.54 crores and the fixed deposit and free cash in totality would be close to 320 crores.
- **Mr. V.P. Rajesh – Banyan Capital**

- And the other question there is what portion of this cash is encumbered with your performance guaranteeing or this is completely free cash.
- **Mr. Rohit Katyal – Executive Director & Chief Financial Officer, Capacit'e Infraprojects Limited**
- The free cash is close to as on date, I do not have the figure as on 30th June, but it should be more than 120 crores as on 30th June and there would be a substantial improvement in the current quarter on the free cash.
- **Mr. V.P. Rajesh – Banyan Capital**
- Thank you, that's all I have for now.
- **Moderator**
- Thank you, our next question is from the line of Mr. Prem Khurana from Anand Rathi, please go ahead.
- **Mr. Prem Khurana – Anand Rathi**
- Sir, thanks for taking my question. To begin I think in your opening remarks you spoke about cost rationalization, if you could take us through I mean what all have been done to kind of make sure that the costs come down substantially. And when you say cost rationalization, this is essentially, at the corporate entity level or we also have something that we have planned for our sites where to get to reduce site establishment or some of the other extensions which are particularly related to sites.
- **Mr. Rohit Katyal – Executive Director & Chief Financial Officer, Capacit'e Infraprojects Limited**
- Site establishment is a cost which is required to be incurred for the able execution of a project that was already incurred. What will be currently incurred will be for PWD and ongoing CIDCO projects. So that cannot be rationalized, that is part of the direct cost which you carry on as site establishment part. When we spoke about cost rationalization this includes the rentals on equipments which we have reduced substantially, we have renegotiated the terms with our vendors on the rental parts. Apart from this, there will be rationalization in the human resource cost, which you have seen in Q1 and you will see rationalization going in Q2 and Q3 also before we turn to normalcy by Q4. Apart from this, rentals on offices across the geographies where we are present that has

reduced significantly, because the work from home culture has come in. We have nearly at the corporate level 50% of the staff or more working from their respective homes and the productivity is basically an improvement as opposed to when they were actually working in the old fashion from offices. So these are the rationalization measures which we are talking about. Apart from this obviously the businesses across are low, so you would benefit on the direct cost basis with maybe reductions on certain procurement items which do not have a pass through.

- **Mr. Prem Khurana – Anand Rathi**

- What about workmen cost, I mean fair to assume that given the fact that most of us have been facing issues in terms of labour availability or workmen availability, at least in the interim the costs would go up on workmen site, just to be able to get them on the site to make them....

- **Mr. Rohit Katyal – Executive Director & Chief Financial Officer, Capacit'e Infraprojects Limited**

- Not at all, that's a myth, the reason for labour going back is known to all, I wouldn't like to elaborate on that. We haven't seen any pressure on the pricing of labour contractors. The price continues to be the same as pre-Covid level. Obviously you will be spending, we did spend money on food and their health care which basically will continue maybe in this quarter also, their transportation, maybe airlifting them. These are onetime costs and that should not be construed as any increase in cost of the item rates which are given to labour contractors.

- **Mr. Prem Khurana – Anand Rathi**

- Just one last one from my side, eventually we have seen some disruptions on execution site because of this Covid now, so I understand as far as government orders are concerned you have already been given extensions of 3 to 6 odd months. How about private sector, have you kind of been able to negotiate or come to terms with clients on private sector side, you know, have these guys approved your extension in time in terms of execution of these projects that you have.

- **Mr. Rohit Katyal – Executive Director & Chief Financial Officer, Capacit'e Infraprojects Limited**

- So on the private sector side we also invoked force majeure with all our clients and the supply chain, and so has been done by our clients. So there will be an automatic extension for private sector as well, there is an understanding and MOUs in that regard, that's one aspect of it. And the second aspect is the material is passed through so there is no cost impact as far as Capacit'e is concerned on the commodity side.
- **Mr. Prem Khurana – Anand Rathi**
- Sure, thank you.
- **Moderator**
- Thank you, our next question is from the line of Pratik, an individual investor, please go ahead.
- **Mr. Pratik – Individual Investor**
- Thanks for the opportunity, sir. My question was regarding the Mumbai monsoon which happened in the month of July. What percentage has it affected our business's normal operations?
- **Mr. Rohit Katyal – Executive Director & Chief Financial Officer, Capacit'e Infraprojects Limited**
- So yes, there was excessive monsoon more than what you would generally expect. But it is a given fact that you generally lose 15 to 20 days of execution period, so this wet spell which lasted 3 to 4 days disruption of slowdown in the work which happened obviously. But that's nothing new, it happens every year, so there is no impact on the overall operations of the company. And we do not see it to be any major event because luckily at none of our sites there was flooding or any accidents, and none of the cranes had any damage either. So answering your question there is no change as far as our company operation cycle is concerned, it continues to be normal.
- **Mr. Pratik – Individual Investor**
- And, sir, there is one more question from my side. You talked about this labour improvement, so what role has Captech taken on in that, how much we can attribute to them in providing the labour to our company.
- **Mr. Rohit Katyal – Executive Director & Chief Financial Officer, Capacit'e Infraprojects Limited**

- See, Captech we have an investment which we are, we have an investment of 40% in that startup, the app is now live and is undergoing trials at our 4 project sites. So we do see that a lot of contractors, labour contractors have already registered on that. And I don't have any data at the moment how much of labour has come back from our Labour Resource Department, how much has come back from the Captech app. But maybe if you provide us with your email id, our investment team will send across the details to you.
- **Mr. Pratik – Individual Investor**
- Okay, sir, thanks, that's all from my side.
- **Moderator**
- Thank you. The next question is from the line of Sahil Doshi from Antique Securities. Please go ahead.
- **Mr. Sahil Doshi – Antique Securities**
- Good morning, sir. Two questions from my side, one is regarding the cost measures and the various force majeure clauses, etc., which we have imposed, possible to quantify in terms of the impact which it will have for this year and in terms of both the cost impact as well as the savings which we can see over the year, and how much of it is sustainable, that's one. And second question is the receivables, if you could share how the collection of receivables is mapped out and if possible if you can share some aging of the same.
- **Mr. Rohit Katyal – Executive Director & Chief Financial Officer, Capacit'e Infraprojects Limited**
- I will answer your second question first. The total receivables which include the certified/uncertified plus retention is 569.7 crores, out of this the retention amount is 162 crores. Because there was hardly any billing which happened in the quarter 1 so the amount is comparable what it was in the quarter 4 of last financial year. Out of this, this takes into impact the entire provisions for ECL also. And obviously if you don't consider this 4 months lockdown period or more, the levels would be similar to what they were in March '20 end. We have seen an uptake in receivables from July onwards and we do believe that that will continue. And we should as explained in the earlier questions we should see normalcy in the working capital cycle going through Q3 and fully restored or bettering that by Q4.

- **Mr. Sahil Doshi – Antique Securities**
- Okay, thank you, sir, on the question regarding the cost measures?
- **Mr. Rohit Katyal – Executive Director & Chief Financial Officer, Capacit'e Infraprojects Limited**
- See, I am sorry, but I don't have at the moment to give you an exact number but yes, during our next conference call, I will be better placed to give you exact amounts from cost saving perspective. Because the cost saving as a percentage would depend on the revenue clarity which will be absolutely clear by the end of Q2, hopefully there are no further lockdowns or suspensions or any other surprises. That will give not only Capacit'e but any other construction company or any other company serious clarity on what the Q3 and Q4 revenues would be like. So let's take an assumption that we believe that the cost saving would be 35 to 40 crores in the year, but as a percentage it could be maybe 5% or 7%, that guess cannot be given at the moment. Therefore, I would be better placed to answer this question with accuracy during the next quarter's conference call.
- **Mr. Sahil Doshi – Antique Securities**
- Understood. Just one follow up on the receivables bit, sir, I understand like you mentioned it's easing and it's getting better. Can you give some sense of who would be the top 5, top 10, and what would be their contribution? And also we have seen that you have taken some provisions in the previous 2 quarters. Do you feel the need to take any further provisions here on?
- **Mr. Rohit Katyal – Executive Director & Chief Financial Officer, Capacit'e Infraprojects Limited**
- We have not taken any, see these are the auditing requirements. What provisions you are seeing is slightly higher because of the Covid environment which was prevailing at the end of June quarter and also during the whole of July. So your ECL, okay, was provided at 6.3 crores in the current quarter, generally, we provided 16 crores last year. So the total provision including current quarter stands at about 35 crores apart from that we have provisions of approximately 11 crores. So in all total provisioning as on date stands at 46 crores which is substantially large for a company of our size which only exhibits the prudence in accounting which we follow. Now answering your question, do we have to take more, I don't think so, maybe you will see some reversals in this provisioning starting Quarter 3, because we do see movement in retention amounts getting released, in after Quarter 2 Quarter 3, and therefore I believe that the

provisioning will get reversed to some extent in Q3, and to a major extent in Q4. So therefore I don't see, but you can never rule out the ECL being added by a couple of crores and some reversals happening because that's the way how auditors work these days. And we are also audited by the top 4.

- **Mr. Sahil Doshi – Antique Securities**
- Right, thank you, sir, good luck, sir.
- **Mr. Rohit Katyal – Executive Director & Chief Financial Officer, Capacit'e Infraprojects Limited**
- Thank you.
- **Moderator**
- Thank you, we will take the next question from the line of Parikshit Kandpal from HDFC Securities, please go ahead.
- **Mr. Parikshit Kandpal – HDFC Securities**
- Hi, Rohit. Can you give, so now the moratorium is coming to an end by August end this month, so how are you geared up in terms of servicing the debt, and also if you can highlight on the LC part, so how has that been settled with bankers.
- **Mr. Rohit Katyal – Executive Director & Chief Financial Officer, Capacit'e Infraprojects Limited**
- So LC we have got interchangeability from all our major bankers, maybe a couple of banks who did not give, we have already paid all the June liability on due date for the LCs. So the majority of the LCs were with State Bank of India, Union Bank and Corporation which is also Union Bank and with IndusInd, so all these have been interchanged and therefore you see an increase in the debt level. So there is no issue as far as the LC payments are concerned. On respective due dates they are being converted into CC limit and this will continue. Now coming back to the interest, there is hardly any fund based limits in the company. So I don't think that there should be any sort of a challenge for the company to pay up the interest in the first week or second week of next month as and when the moratorium ceases to exist. I hope that both the questions of yours have been answered.
- **Mr. Parikshit Kandpal – HDFC Securities**

- Yes. Second question was with regards to the CIDCO project, so we have got the first tranche of advances so based on your own assessment when do we expect the second tranche to come.
- **Mr. Rohit Katyal – Executive Director & Chief Financial Officer, Capacit'e Infraprojects Limited**
- Second tranche 50% advance has already been received by the company.
- **Mr. Parikshit Kandpal – HDFC Securities**
- So we had earlier received 225 crores of first tranche and now you are saying another 110 odd crores.
- **Mr. Rohit Katyal – Executive Director & Chief Financial Officer, Capacit'e Infraprojects Limited**
- 110 crores have already been received, we will start our billing this month and hopefully we will claim the second tranche, the remaining 2.5% another 112-13 crores whatever it is in next month. So therefore I have said that you will see substantial improvement in the liquidity of the company and whatever little 0.08 net debt that you see I sincerely believe that by this quarter end that will go back to net debt free status.
- **Mr. Parikshit Kandpal – HDFC Securities**
- And for this project, have you tied up like the banks limits and BG and other bank limits, bank guarantees and all, everything is tied up from your side.
- **Mr. Rohit Katyal – Executive Director & Chief Financial Officer, Capacit'e Infraprojects Limited**
- Yes.
- **Mr. Parikshit Kandpal – HDFC Securities**
- Because I think there was in between Yes Bank BG getting changed with some other bank, you were planning...
- **Mr. Rohit Katyal – Executive Director & Chief Financial Officer, Capacit'e Infraprojects Limited**

- The Yes Bank BG getting changed that has already happened so they are along with CSB, they are the financiers, a separate consortium for this project. Similarly, there is separate State Bank Of India for MCGM. Because we have to remember that pre Covid and post Covid times so, yes, people should forget whether it is our supply chain or whether its client side or whether it is the contractor side, right. The whole supply chain from the customer to the smallest of the vendor, the way we worked pre Covid will totally change how we work post Covid, so we will be shifting completely to project specific funding whether it is from our reserves or whether it is partially by debt; so each project will be project specific. So all projects at the moment whatever the company has including PWD JJ Hospital which also has started, all the financial closures for these projects are in place.
- **Mr. Parikshit Kandpal – HDFC Securities**
- Just in the earlier part you had highlighted the 90% of the sites are now operational and the work has started happening and in public almost 99% and on the labour side you still you have almost close to 50% availability. So in terms of execution efficiency so what kind of run rate, monthly run rate will you be at now and maybe starting September what kind of numbers you are looking at, monthly run rate.
- **Mr. Rohit Katyal – Executive Director & Chief Financial Officer, Capacit'e Infraprojects Limited**
- Yeah, so as I told you when you talk about the pre Covid 9,200 you have to also see the number of sites because we have handed over about 4 projects this quarter also, all right. So that labour reduction will happen automatically and CIDCO gear up will not be required as I explained earlier before September and October because mechanised works excavation and, you know, up to the plinth area works at the moment are going on. That's one aspect. Secondly when we need to stabilise that means the revenue going to 150 crores that is pre Covid levels by quarter 3, you will see substantial increase in workmen in August, September and October. So that will be the way how the labour will ramp up, so please do not consider 50%. I said the core strength that means all the skilled manpower required for the all the projects which have started execution will be available with the company by August end and we will further keep adding as per the site requirements in September/October and if there are no new surprises from Covid perspective and I hope no other perspective, we don't see a challenge post August in adding to the labour requirement.
- **Mr. Parikshit Kandpal – HDFC Securities**

- And on the run rate side, so post if all these things falls in place from post August you will be hitting 100 crores per month on the run rate.
- **Mr. Rohit Katyal – Executive Director & Chief Financial Officer, Capacit'e Infraprojects Limited**
- Sir, I don't give comments on that, however, you should expect the company to have quarter 3 as complete stabilization period and substantial improvement on the revenues in Q4 over the last financial year.
- **Mr. Parikshit Kandpal – HDFC Securities**
- Okay, so just on the big pipeline, how do you see a big pipeline on the private side and the public side. So I think you had highlighted earlier in the call that your focus is on the public side and some strong balance sheet players on the private side, so how do you see this panning out in this environment of Covid environment how do you see it?
- **Mr. Rohit Katyal – Executive Director & Chief Financial Officer, Capacit'e Infraprojects Limited**
- Sir, it is too early to say how the private sector would pan out. However, as you know that we already qualify in all projects, mid-size, large size and on the government side as well. So in the mid-term at least for 4 quarters from now the focus will be on government side. And given our order book I don't think we need more than 2-3 orders because our revenues for current year and next year are not dependant in any way on any fresh order intake, all right. On the private side we do have indications from clients like Godrej who are ramping up their operations, they believe consolidation, they believe and we also believe consolidation will happen but you will see the bidding start only from Q3. Whether we will bid or not it depends on any further inflow of government orders during this and next quarter. A lot of hospitals have lined up, the health ministry has already announced 70 hospitals coming up from the central government in various states. So there is enough activity on the health care side, on the institutional side and that's our focus which I mentioned in the last quarter and again I have reiterated in this quarter also. So from private sector side, action you will only see from Q3 onwards. I do not see anyone coming out with projects in a hurry at the moment.
- **Mr. Parikshit Kandpal – HDFC Securities**

- Okay, so, sir, just the last question if I may, on the order book have you removed the slow moving orders, if you can highlight what could be the quantum of orders that have been removed.
- **Mr. Rohit Katyal – Executive Director & Chief Financial Officer, Capacit'e Infraprojects Limited**
- Around 750 crores has been kept as slow moving. So by next quarter there will be absolute clarity on which orders because we as I said that when we say 90% of our work has started that 10%, you know, if those order books where we are at the moment in discussion with clients to understand their financial tie up, not immediate, also in the midterm and long term. But if the particular client doesn't have visibility then we will take an appropriate call during this quarter and we will keep all of you all apprised about it.
- **Mr. Parikshit Kandpal – HDFC Securities**
- Okay, sir, thank you.
- **Mr. Rohit Katyal – Executive Director & Chief Financial Officer, Capacit'e Infraprojects Limited**
- Thank you.
- **Moderator**
- Thank you, our next question is from the line of Vijay Barni from Pac Capitals, please go ahead.
- **Mr. Vijay Barni - Spark Capitals**
- Yeah, good morning, sir. So my first question is on the cash flows, so if one were to look at the cash flows for the next 2 years say including FY '22. Do you foresee any capital requirements by way of increased debt requirement, etc. because of increase in execution of FY '22 or would you manage the cash requirement for working capital, etc. through internal accruals?
- **Mr. Rohit Katyal – Executive Director & Chief Financial Officer, Capacit'e Infraprojects Limited**
- So the estimates which we have in front of us suggest that we will not be requiring any equity raise or any major increase in debt levels. That debt level will only get better from

Q3 onwards. However, 10 – 15 crores blip cannot be ruled out during, as you have seen in Q1, Q2. So apart from that in answering your question no equity, no increase in debt.

- **Mr. Vijay Barni – Spark Capitals**

- Understood, so my second question is on the private order book, of the 4,700 crores you said about 2700 crores is coming from well-funded and strong developers. The remaining could you, you know, highlight how the remaining developers are faring, how their collections and executions have been being faring.

- **Mr. Rohit Katyal – Executive Director & Chief Financial Officer, Capacit'e Infraprojects Limited**

- It is difficult to pin point any particular client because ultimately we are contractors when we talk about our top 12-13 clients, our 90% of our order book is with those clients. Now you're talking about the remainder 1500 crores, we are under discussions with those clients, and as I explained in immediate prior answer we will have absolute clarity in the quarter 2 and whether those orders of 1000 crores or so, have to be carried forward or kept slow moving will be identified and promptly informed to all of you. However, having said so the order book is very, very strong, we have another 8 months to go in this financial year. So we do believe we will be able to maintain last year's closing order book position in the current financial year also, which give us a very strong visibility for the next 3-3 and ½ years.

- **Mr. Vijay Barni – Spark Capital**

- Understood, and last question on the working capital including retention money and WIP in the other financial assets what is the position there, sir.

- **Mr. Rohit Katyal – Executive Director & Chief Financial Officer, Capacit'e Infraprojects Limited**

- So work has just started from July as we earlier explained. The WIP will get converted into uncertified and subsequently certified bills over the next one quarter or so. So as I told you will see normalisation in certified bills, over the next 4 months you will see normalisation and substantial reduction in the WIP or which comes under financial assets over the next 3-4 months also. These go hand in hand, as your execution improves your work in process which you couldn't bill gets converted into billing.

- **Mr. Vijay Barni – Spark Capital**

- Understood, sir, thank you for answering my questions.
- **Mr. Rohit Katyal – Executive Director & Chief Financial Officer, Capacit'e Infraprojects Limited**
- Thank you.
- **Moderator.**
- Thank you, we'll take the next question from the line of Deepak Poddar from Sapphire Capitals, please go ahead.
- **Mr. Deepak Poddar – Sapphire Capital**
- Yeah thank you very much, sir, for the opportunity. Now, sir, if I see from the last four years if we set aside this FY20, we have been growing at about 20-25% kind of a CAGR. Now you did mention that 3Q is a stabilization period and from 4Q onward you expect some revenue growth over the last financial quarter. So do you want to go back to similar kind of a trend or do you see any disruptions because of the current scenario that those trends would be difficult to replicate? So any comment on that would be helpful.
- **Mr. Rohit Katyal – Executive Director & Chief Financial Officer, Capacit'e Infraprojects Limited**
- Our order book as I told you is close to 10,000 crore on standalone basis. So the point is given an average completion period of three and a half years obviously we're on a good growth path. And our next year and a half revenue do not depend on any fresh intake of orders. So therefore obviously it will be fair to say there will be growth as it was in the prior years and leaving aside this 5-6 months of the Covid and the ramp up period timing which is required by any company. Now whether that will be 25%, 35%, 45%, that's anyone's guess, but the projects are being ramped up and Quarter 4 you will see substantial improvement over Quarter 4 of FY20 and not of Q3 of current financial year. Which means that we're optimistic that by Quarter 4 our revenues will go back to the peak which the company had seen about 18 months ago.
- **Mr. Deepak Poddar – Sapphire Capital**
- Fair enough. Fair enough. I understood. That's quite helpful sir. Thank you very much.
- **Moderator**
- Thank you. We take the next question is from the line of Faisal Hawa from H. G. Hawa and Company. Please go ahead.

- **Mr. Faisal Hawa- H. G. Hawa and Company**
- Question is that with so much difficulty in recovery of money and overall post Covid difficulties also, do you feel that many more small contractors or even contractors which are not very well financially arranged will also fall by the way side and the competitive intensity in the contractors business will really fall? Do you see any signs of that happening?
- **Mr. Rohit Katyal – Executive Director & Chief Financial Officer, Capacit'e Infraprojects Limited**
- It's too early. We're still in the moratorium and the cover period. How many people do restructuring is anyone's guess. We do not know about that. However I have maintained over the last 2-3 years in most of the Earnings Call and otherwise that in building sector, the sectors, that's the only sector in which we operate, unlike other sectors the competitive intensity when the project size is above 350-400 crores as it is, is very less. So if you talk about the building size and you would like to count how many people would actually qualify in Government projects of 400-450 crores, then you may on the have 3 or 4 and if you add their players and the more organized players or all India basis would not go 16 to 25. And basically people in Covid times and people who don't want their management bandwidth to be stretched basically are focusing on concentrated or focused geographies. Like if you see Capacite, we have been operating over the last eight years in the six-seven cities or geographies as you may call and we have maintained that we will continue to maintain our focus accordingly because the supply-chain, other matters also help things. So answering your question I really hope that no company, no good company which was healthy pre Covid goes down post Covid. But the competitive scenario has been very comfortable and with organized players we don't see any bloodbath or undercutting in pricing because the order books right from the biggest Larsen & Toubro or you talk about a mid-size player like Capacite or anyone, is exceptionally good. There is no need to go and bang your head for taking a new order at the moment in time. And as I mentioned earlier the Government spend is on the increase you already are seeing a lot of tenders being bid. And you will see improved and heightened bidding activity in Quarter 3 and Quarter 4 for Government projects.
- **Mr. Faisal Hawa- H. G. Hawa and Company**
- Okay thank you so much.
- **Moderator**
- Thank you. Our next question is from the line of Alok Deora from Yes Securities. Please go ahead.
- **Mr. Alok Deora- Yes Securities**

- Good morning sir. Just couple of questions. One was on you mentioned around 32 sites are currently operational. So what is the view on the balance, what is the status on the balance sites? When are we expecting those sites to get started?
- **Mr. Rohit Katyal – Executive Director & Chief Financial Officer, Capacit'e Infraprojects Limited**
- That I explained. This 32 sites constitute 90% of our order book. And in any case do not cause any disruption in our planned revenues over the next two- two and a half years. And as I have mentioned earlier for the remaining sites, which are four or five we are under discussion with those clients to understand the financial closures of those projects and once we have clarity we will take it forward. So at the moment as I mentioned earlier we can have absolute clarity during the next Quarter Call Earnings and by this time whether the project has to be taken forward or dropped will emerge and we will be able to answer you with more clarity.
- **Mr. Alok Deora-Yes Securities**
- Sure. And sir you mentioned about this you know some cost coming in near term related to air-lifting of labour to regain our strength in terms of labour force. So that cost would be I think would be borne by Capacite itself and not be passed on to the client. So could we see some margins continuing to be under pressure in the near term despite the exhibition picking up.
- **Mr. Rohit Katyal – Executive Director & Chief Financial Officer, Capacit'e Infraprojects Limited**
- No, as I explained to you these are one offs. So if you spend maybe a crore of rupees or two crores of rupees on fooding, that has already been taken in Quarter 1. Now if you are spending some money let's say 50 lakhs or one crore or more on the transportation over the next, the second quarter, that's a one off. It is not that we're going to be in Covid forever and these costs will continue. The issue was that when Maharashtra opens Bengal restricted the transport of people. Then Bihar had floods and the labour movement became a little bit uncertain. So then you have to step in as a principal contractor. And second point of yours was concerning the client bearing the cost. As I mentioned earlier the clients have invoked Force majeure , we have invoked Force majeure . So we cannot, I don't think that we will be able to recover any of the cost from the client which pertains to Covid related cost. And therefore whatever hit had to be taken for the first quarter has already been taken. And whatever little hit of maybe one and half or two crores for remobilizing labour which will happen will be taken in Quarter 2. So I don't see Quarter3 or Quarter 4 any hit or any reduction in margins. By Quarter 4 we should be at pre-Covid margins or better.

- **Mr. Alok Deora-Yes Securities**
- Okay just one last question. So you know we are handfull in terms of order book and because aggregation is also sort of picking up gradually. So are we really looking to take up any new orders or we would be like really selective or it's close to some existing site or existing project so then we might be interested?
- **Mr. Rohit Katyal – Executive Director & Chief Financial Officer, Capacit'e Infraprojects Limited**
- See if you see our presentation there's a slide on what was the order book mix in 2018, what happened during 2019, what happened in 20. So if you see from 100% private order book and then going to 88% private order book, today our order book is 45 to 55 as private and public. So I don't see that, Capacite has already demonstrated that by a lean management it is very well equipped to change with the changing scenarios. So and our belief that strong Balance Sheet is important, at times we decided to drop revenues but focus only on the marquee clients. So that strategy was already there with Capacite. If you saw we had a dip in the revenues during Quarter 3 and Quarter 4 of last financial year. That only happened because of our focus to execute was for the good clients. Alright. And therefore when you today our order book I don't think anyone can point a finger on any of the creditability of any of the clients which we had in them. So focus was on quality clients. We were choosy. We will continue to be choosy.
- **Mr. Alok Deora-Yes Securities**
- Thank you sir. That's all from my side.
- **Mr. Rohit Katyal – Executive Director & Chief Financial Officer, Capacit'e Infraprojects Limited**
- Thank you.
- **Moderator**
- Thank you. Our next question is from the line of Vipul Shah from RW Equities. Please go ahead.
- **Mr. Vipul Shah-RW Equities**
- Yeah most of my questions have been answered. One question is, if I may, what is the fixed cost per quarter which the company necessarily carries? What I mean is in the June quarter gone by the absolute amount of cost which the company has incurred and which you foresee continue to go forward.

- **Mr. Rohit Katyal – Executive Director & Chief Financial Officer, Capacit'e Infraprojects Limited**
- See the fixed cost of Quarter 1 is not comparable because no rentals on equipment were considered or paid because of the force majeure invoked by us. And as you start with Quarter 2 you will see some of the rentals starting to get booked. So giving you a number would not be appropriate. However you will see the fixed cost increasing and being maintained as a percentage to the top line. So we believe that in Quarter 2 our fixed cost would be close to about 30 crores. It will increase gradually in Quarter 3 as other revenues ramp up.
- **Mr. Vipul Shah-RW Equities**
- So this Force majeure which you have claimed on your equipment rentals, is that a cause for litigation or is that a settled issue?
- **Mr. Rohit Katyal – Executive Director & Chief Financial Officer, Capacit'e Infraprojects Limited**
- So everything is settled. House rentals we have paid everyone because our staff was there. When there's a force majeure clause declared by the pandemic, by the Central Government where does the question of dispute arise?
- **Mr. Vipul Shah-RW Equities**
- Alright sir, thank you so much.
- **Mr. Rohit Katyal – Executive Director & Chief Financial Officer, Capacit'e Infraprojects Limited**
- Thank you.
- **Moderator**
- Thank you. Our next question is from the line of Siddharth Rajpurohit of JHP Securities. Please go ahead.
- **Mr. Siddharth Rajpurohit-JHP Securities**
- Thank you sir for the opportunity. Sir like you said that pre-Covid and post-Covid will be two different cases. So in the history we have seen that dry construction used in the T-construction was not accepted well for a few players that used it. So how do you see the use of dry construction in going forward? Will it help us in terms of cost specialization or increasing the project time? Something on that sir.

- **Mr. Rohit Katyal – Executive Director & Chief Financial Officer, Capacit'e Infraprojects Limited**
- Increasing the project time? I'm sorry.
- **Mr. Siddharth Rajpurohit-JHP Securities**
- Reducing the cost or improving the project time line.
- **Mr. Rohit Katyal – Executive Director & Chief Financial Officer, Capacit'e Infraprojects Limited**
- Yeah. So I guess that you are referring to the precast technology.
- **Mr. Siddharth Rajpurohit-JHP Securities**
- Precast and also of cement, other cement ready material
- **Mr. Rohit Katyal – Executive Director & Chief Financial Officer, Capacit'e Infraprojects Limited**
- These are already under use. So what happens is when you do a completely precast though it is not acceptable by all the clients depending on the client's requirement, your labour requirement at the project site level drops. So given the situation what everyone faced during the Covid period I'm sure that there will be a mix, the shift will be towards mix of in-situ and certain elevation features in precast. Like if you go to Middle East you see a lot of precast being used in the car park. And once they start with the typical floors it's cast in-situ. Okay? That shift you will see in India also, whether it happens over the next 2-3 quarters, that's difficult to say, because ongoing projects cannot be changed. New projects you will see a lot of these things being adopted by the consultants, by the clients and obviously by the contractors.
- **Mr. Siddharth Rajpurohit-JHP Securities**
- Okay. Thank you sir and all the best sir.
- **Mr. Rohit Katyal – Executive Director & Chief Financial Officer, Capacit'e Infraprojects Limited**
- Thank you.
- **Moderator**

- Thank you. Our next question is from the line of Nitin Gandhi from KIFS Trade. Please go ahead.
- **Mr. Nitin Gandhi-KIFS Trade**
- Hello?
- **Mr. Rohit Katyal – Executive Director & Chief Financial Officer, Capacit'e Infraprojects Limited**
- Yes please.
- **Mr. Nitin Gandhi-KIFS Trade**
- Considering this is a slowdown in sales happening by the private developers, are there any discussions happening for slowing down the project execution of there for almost 2700 crore good developers which we have order book.
- **Mr. Rohit Katyal – Executive Director & Chief Financial Officer, Capacit'e Infraprojects Limited**
- No, not at the moment in time. We are being told to go full blast.
- **Mr. Nitin Gandhi-KIFS Trade**
- Okay. And as far as CIDCO is concerned you said maximum will be executed by Q2 '22, right? Out of 5700 PSU order book, 5 sites are operational you said, right?
- **Mr. Rohit Katyal – Executive Director & Chief Financial Officer, Capacit'e Infraprojects Limited**
- CIDCO project is 4500 crore. Out of that 5 sites work has already started. 6th site we expect the work to start by August end, sorry, yeah by August end and the 7th site, the last site to start by September end. And the overall completion period is 43 months from the date of hand over of the last project, last location.
- **Mr. Nitin Gandhi-KIFS Trade**
- Okay. Thank you very much.
- **Moderator**
- Thank you. A reminder to our participants. If you wish to ask a question you may enter *(Star) and 1 (one). Our next question is from the line of Jiten Rushi from Axis Capital. Please go ahead.

- **Mr. Jiten Rushi-Axis Capital**
- Yeah good morning sir, thanks for taking my question. So there's one question from my side. What are the Capex plans for this year and next year since we are taking larger projects of CIDCO and MHADA, so any Capex plans? Can you please highlight on the same sir? Thank you.
- **Mr. Rohit Katyal – Executive Director & Chief Financial Officer, Capacit'e Infraprojects Limited**
- MHADA Capex will not be on the Balance Sheet of Capacite. It will be on the Balance Sheet of Tata Projects Capacite LLP. And CIDCO the total Capex plan is at close to 100 crores, which will start from this financial year and completed in the next financial year.
- **Mr. Jiten Rushi-Axis Capital**
- It will be partially this year and probably next year.
- **Mr. Rohit Katyal – Executive Director & Chief Financial Officer, Capacit'e Infraprojects Limited**
- That's right. .
- **Mr. Jiten Rushi-Axis Capital**
- And any other Capex like Capex for any other ongoing project?
- **Mr. Rohit Katyal – Executive Director & Chief Financial Officer, Capacit'e Infraprojects Limited**
- Majority of the Capex was done in last financial year for all the ongoing projects. We believe that we were only left with 20-22 crores of Capex which will happen during the current financial year excluding CIDCO.
- **Mr. Jiten Rushi- Axis Capital**
- Okay sir. Thanks a lot and all the best.
- **Mr. Rohit Katyal – Executive Director & Chief Financial Officer, Capacit'e Infraprojects Limited**
- Thank you very much.
- **Moderator**

- Thank you. Our next question is from the line of Mohit Kumar from IDFC Securities. Please go ahead.
- **Mr. Mohit Kumar-IDFC Securities**
- Hello. Sir two questions. First is on the ECL policy, how much do you provide if the dues is for more than one year or let's say two years, what is the percentage you provide?
- **Mr. Rohit Katyal – Executive Director & Chief Financial Officer, Capacit'e Infraprojects Limited**
- Above 2 years 50%, above 3 years 100% and there are various percentages for 30 to 60 days to 90 days. If you provide your email id our people will provide exact details of that.
- **Mr. Mohit Kumar-IDFC Securities**
- Sure, sure, I'll do that. So tell me sir are you confirming there is no, absolutely no risk to any loss in any contract because of the, I'm saying any major source of disruption in pricing in any contract because of Covid? Whatever hit was taken has already been taken in Q1 and some parts will be taken in Q2. Am I right in saying that?
- **Mr. Rohit Katyal – Executive Director & Chief Financial Officer, Capacit'e Infraprojects Limited**
- Yes so your understanding is absolutely clear that there is no price negotiation with any client. There is Force majeure so we will not get losses which we incurred during the Covid lockdown period from the client. And therefore the hit has been taken in the quarter. And whatever balance expenditures that is the fixed cost will hit you in Quarter 2, will be taken in Quarter 2. So this is one off hits which due to the unforeseen situation and we see normalcy, stabilization in Quarter 3 and substantial improvement in revenues from Quarter 4 onwards.
- **Mr. Mohit Kumar-IDFC Securities**
- Sir is there any chance of recovery of some compensation for the cost incurred?
- **Mr. Rohit Katyal – Executive Director & Chief Financial Officer, Capacit'e Infraprojects Limited**
- That would be reading too much into the lines. Yes there are some clients who may give something. But as I said that when we invoked Force majeure clause the clients also have done similar things. And in Force majeure you basically cannot claim. You can request. Now how many people adhere to, stick to our request is another thing. And therefore any comments to be given on that would be premature. Hello?

- **Moderator**
- Sir, it looks like the participant's line has disconnected. Maybe we can ask him to join in back. Any participant who wishes to ask a question may enter * (Star) and 1 (one). We'll take our next question from the line of Parikshit Kandpal from HDFC Securities. Please go ahead.
- **Mr. Parikshit Kandpal-HDFC Securities**
- Sir you said that the client may not compensate but you may request them. But is there any relief the client has given you on the payment terms, have they made it a little bit accelerated or they've asked for deferment. If you can highlight. Because in Government what we're seeing in the road sector an NHAI has eased some of the payment terms, they had given more accelerated terms to the contractor. So any such thing in the building segment both from private and Government clients?
- **Mr. Rohit Katyal – Executive Director & Chief Financial Officer, Capacit'e Infraprojects Limited**
- So from our Government side at present we're also seeing accelerated payments being given. On the private sector side the payments have started as I told you. The major clients have already started releasing the payments. And it's absolute clear with all the clients that work will happen only if payments are received because obviously we have a huge outstanding receivable. We're not asking for work to be done in future. So I don't see any disruption over there. As I explained earlier you will see payment improvement going forward. No one can expect any credit terms beyond 15-30 days. Earlier we would wait till 60 days. That also is ruled out now. So payments has to be paid by the clients across to their supply-chain which includes Capacite if the work has to happen in projects.
- **Mr. Parikshit Khandpal-HDFC Securities**
- Okay. On the CIDCO project this total 5 sites constitute that out of 4500 how much will be the value of these on the book of these 5 sites?
- **Mr. Rohit Katyal – Executive Director & Chief Financial Officer, Capacit'e Infraprojects Limited**
- I don't have that exact value but you can take 55-60%. It should go to 75% by August end and 100% by September end.
- **Mr. Parikshit Khandpal-HDFC Securities**

- Okay. And the recent lottery which was announced for the police housing, this was for the CIDCO project only then?
- **Mr. Rohit Katyal – Executive Director & Chief Financial Officer, Capacit'e Infraprojects Limited**
- Recent lottery?
- **Mr. Parikshit Khandpal-HDFC Securities**
- CIDCO Project, 4000 plus for police housing by Maharashtra Government.
- **Mr. Rohit Katyal – Executive Director & Chief Financial Officer, Capacit'e Infraprojects Limited**
- Police housing is different sir. Police housing there is a separate department where we had bid during the last time. CIDCO will be taking out lottery system alright maybe in the next few quarters or maybe next quarter or so, post Diwali period. At the moment everything was under lockdown so there was no question. Police housing that's totally a separate department. And that also is coming out with substantial housing.
- **Mr. Parikshit Khandpal-HDFC Securities:**
- And lastly on some of the stuff receivables like Radius and I think you had spoken that some of the projects were being taken back for some and I think L&T was taking over one project. So any update on that?
- **Mr. Rohit Katyal – Executive Director & Chief Financial Officer, Capacit'e Infraprojects Limited**
- We still continue with the lockdown. We have spoken to HDFC, who's one of the lenders. And they believe that over the next two months they will be resolving that because no client, no banker would like to lose their 400-500 crores for my 20 crores. Secondly and more importantly we have to remember that the total provisioning by Capacite over doubtful debtors is put together 46 crores. So if we add another 4-6 over the next three quarters I don't think anyone should have any discomfort on what would happen if a particular trans money does not come. Having said that that in no way means that we will not cover up our outstanding. We have taken necessary steps. And it will be very difficult for the lenders or the client to start work at these, those three projects without paying us. And you're aware that all these three locations are extremely prime locations in Mumbai city. So if the lenders have to lose 3000-4000 crores for not paying us 47-48 crores, that would be their choice. As far as we are concerned we are very optimistic that over a few quarters we will be able to recover that money back and reverse the provisions.

- **Mr. Parikshit Khandpal-HDFC Securities**
- Okay. And just on the net working capital how much is the absolute amount now versus March?
- **Mr. Rohit Katyal – Executive Director & Chief Financial Officer, Capacit'e Infraprojects Limited**
- Yes sir, repeat the question.
- **Mr. Parikshit Khandpal-HDFC Securities**
- What will be the absolute net working capital amount? I know it's difficult to calculate.
- **Mr. Rohit Katyal – Executive Director & Chief Financial Officer, Capacit'e Infraprojects Limited**
- I will tell Amit to mail that to you please.
- **Mr. Parikshit Khandpal-HDFC Securities**
- Okay sure sir. Sure. Okay. Thank you.
- **Mr. Rohit Katyal – Executive Director & Chief Financial Officer, Capacit'e Infraprojects Limited**
- Thank you.
- **Moderator**
- Thank you. Any participant who wishes to ask a question may enter * (star) and 1 (one) on their touch screen phones. As there are no further questions from the participants I now hand the floor back to Mr. Viral Shah for closing comments. Over to you sir.
- **Mr. Viral Shah – Prabhudas Lilladher Pvt. Ltd.**
- Thank you. Yeah thank you everyone for participating in the call. I specially thank the management for giving us an opportunity to host this call. Now I hand over the call to Mr. Rohit sir for his closing comments.
- **Mr. Rohit Katyal – Executive Director & Chief Financial Officer, Capacit'e Infraprojects Limited**
- Thank you everyone for joining on the call. We hope that we've been able to answer your queries. For any further information we request you to get in touch with our

Investor Relations advisors. Thank you. Stay safe and look forward to catching up in the next Conference Call. Bye-bye.

- **Moderator**
- Thank you members of the management. Ladies and gentlemen on behalf of Prabhudas Lilladher Private Limited that concludes this conference. Thank you for joining us and you may now disconnect your lines.

(END OF TRANSCRIPT)