

Capacit'e Infraprojects Limited
Annual Report 2022-23

A low-angle photograph of a very tall, modern skyscraper with a glass and steel facade, reaching towards a clear blue sky. The building has many windows and a central vertical structure. In the foreground, there are green trees and a blue swimming pool. The overall scene is bright and sunny.

**EMBRACING
OPPORTUNITIES
DELIVERING
EXCELLENCE**

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In focus

₹ 1,790.8 Cr

Revenue

34%

Y-o-Y growth of Revenue

₹ 360.3 Cr

EBITDA

56%

Y-o-Y growth of EBITDA

₹ 94.3 Cr

PAT

95%

Y-o-Y growth of PAT

₹ 239.4 Cr

Cash PAT

61%

Y-o-Y growth of Cash PAT



Scan the QR Code to know more about us

Forward looking statement

The information provided in this report contains forward-looking statements. These statements are based on our current beliefs, expectations, and intentions regarding future facts, actions, and events. Such statements may also include the assumptions or basis on which they are founded. We have made these assumptions or chosen this basis in good faith, believing them to be reasonable in all material aspects. However, we want to caution you that there is typically a variance between forward-looking statements, assumed facts or bases, and actual results, which can be significant depending on the circumstances.



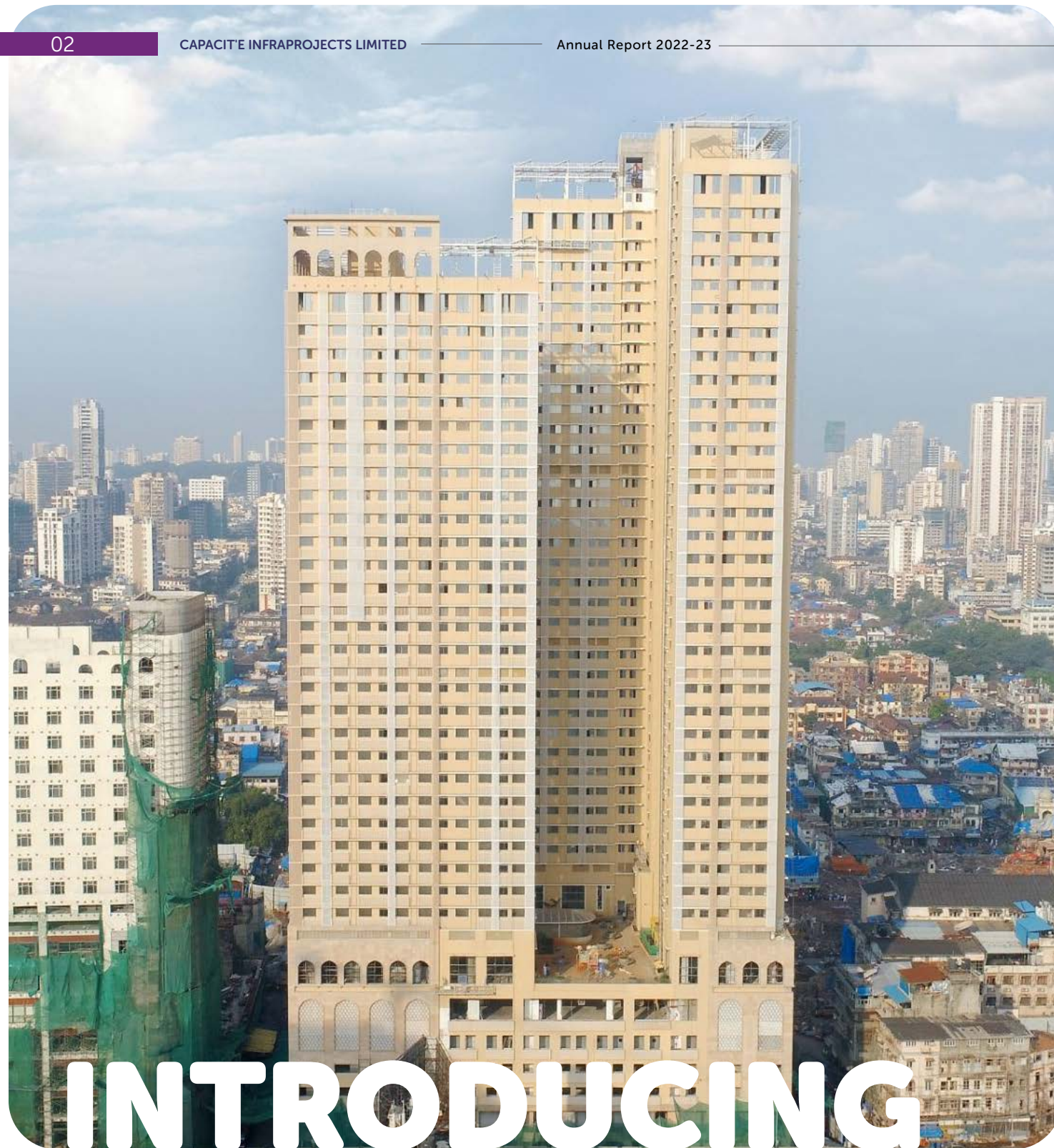
With rapid urbanisation and the growth of the aspirational population in India, customer preferences are changing. Recognising the shift in preferences, we have been creating a new construction portfolio for the future that is synonymous with high quality and iconic designs.

Since day one, we have been driven by a passion for transforming the urban landscape with our iconic skylines and landmark designs. It is this commitment to creativity and innovative solutions that has driven our success in the real estate space.

Over the years, we have built from strength to strength, enhancing our capabilities while meeting our clients' expectations. However, what truly sets us apart is our flexibility to embrace emerging opportunities and make the most of them. We have remained agile in our approach and adapted ourselves in response to market trends, evolving into an end-to-end construction service provider. With a commitment to delivering excellence, we have always focused on ensuring timely execution while meeting industry benchmarks and going beyond. This comprehensive

approach has garnered trust from both public and private sector clients, making us a trusted partner in the building construction industry.

By implementing new-age processes, we have developed a diverse service portfolio that captures complexities, showcasing our capability to take on challenging projects with confidence. Backed by a growing clientele and supported by projects funded by global players, we will continue to expand our reach, invest in our talent pools and unlock efficiencies to deliver robust performance year after year. With a healthy order book, sustained order inflow and our expertise in executing and delivering projects on time, we are well-positioned to embrace emerging opportunities and deliver excellence.



INTRODUCING CAPACIT'E

Over the years, we at **Capacit'e Infraprojects**, have emerged as a leading force in the construction industry, exemplifying innovation in skyline development and cultivating a portfolio characterised by quality and iconic designs. **Synonymous with excellence, we have achieved remarkable growth and established ourselves as a provider of top-notch construction solutions.**

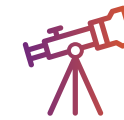
Headquartered in Mumbai and having a decade-long industry experience, we offer comprehensive end-to-end construction services encompassing residential complexes, corporate office buildings and commercial structures. We specialise in constructing high-rise and super-high-rise buildings and have cultivated an impressive track record of efficient project execution through the dedicated efforts of our competent team members.

Central to our approach is a resolute focus on client satisfaction. By implementing a customer-centric strategy, we comprehend the distinctive requirements of our clients and deliver bespoke solutions that cater to their unique needs. This steadfast commitment has solidified our reputation as a trusted brand, earning the trust of our valued clientele and stakeholders.



Mission

Transforming vision into reality



Vision

We are dedicated to providing extraordinary quality and services in every domain of our expertise. We shall achieve this by providing high quality services and ensuring that we have a stable and motivated workforce – one which exhibits true passion to excel.



Our strengths





MANAGING DIRECTOR'S MESSAGE

Dear Shareholders,

Our performance for the financial year 2023 has been deeply encouraging, as we continued to accelerate profitable growth and reinforce our position as a leading building EPC company and its segments of operations. Powered by a healthy order book, sustained order inflow and our expertise in executing and delivering projects on time, we are optimistic that we will continue to witness sustainable growth even in the coming years. I must also mention in this context that the conducive macro environment in India had helped us improve our performance.

Macro perspective

The Government of India has focused on significantly enhancing infrastructure investments to accelerate the post-pandemic economic recovery. The proposed allocation for capex in the Union Budget for FY24 totalled ₹ 10 lakh crores, indicating an increase of 33.40% compared to the previous year. The capital expenditure (capex) of the Government is also crowding in private investments, with global institutional investors investing in mega commercial projects.

On the other hand, moderate interest rates and high demand for affordable housing are fuelling the growth of the residential property market. We

believe, these positive tailwinds are likely to play a pivotal role in driving the growth of the construction and real estate sector over the medium and long term.

At Capaci'te, we are embracing opportunities with agility and delivering excellence in a steady and sustainable manner. With a varied order book from some of the most prominent clients from private as well as public sector, strong balance sheet, flexible strategies and adaptability to change, we have carved a niche for ourselves in the sector in which we operate. Our esteemed clientele from both private and public sector provide better revenue and cashflow visibility in a rather volatile operating sector. In a nutshell, it is a 'best of both worlds' scenario.

However, public sector orders, which are more Design-Build projects are likely to contribute significantly in terms of revenue, going forward. We are also seeing a clear shift of developers towards more organised EPC players like Capaci'te, leading to better contractual terms. New avenues such as projects of Railway Land Development Authority are opening up, further strengthening the optimism of the sector where we operate.

Strategic priorities

As we look towards the future with ever more optimism, our focus will continue to be on working with large and liquid public and private sector clients, thereby strengthening our revenue visibility and sustainable cashflows. We will also continue to foster enduring relationships with existing clients to generate more repeat orders, and transform an individual client into a sustainable revenue generating platform. We will also focus on increasing the scope of services and corresponding revenues,

enhancing brand recall, market share and project control. Our priority will continue to be on strengthening our cash flow, reducing our debt and aiming to be net debt free in the foreseeable future.

We are also committed to step up our ESG initiatives in order to nurture and protect the environment and work towards the wellbeing of our people and the communities we work with. From energy conservation, water and waste management, ensuring health and safety of our people, to upskilling our teams and ensuring the diversity in the workplace, we conduct a wide range of initiatives to strengthen our sustainability agenda.

Road ahead

As the macro environment continues to improve, we are accelerating our growth trajectory with sharper focus on project wins, execution, stringent cost optimisation, better working capital management in order to enhance value for our clients, investors and all other stakeholders. Free cashflow generation remains one of our top priorities, with emphasis on recoveries.

I am deeply grateful to all our clients for reposing their faith in our vision and capabilities. I would also like to thank our employees, suppliers, shareholders and other stakeholders for their unwavering support and trust in us.

We will continue to expand our reach, invest in our talent pool and unlock efficiencies to deliver robust performance in the coming years.

Regards,

Rahul R. Katyal
Managing Director

EXECUTIVE DIRECTOR & CFO's INSIGHT

Dear Shareholders,

At Capacit'e, we are committed to embracing opportunities and delivering value to our clients, investors and business partners in a profitable and sustainable manner.

Over the years, we have strengthened our capabilities, specialising in the construction of high-rise and super high-rise residential, commercial and institutional buildings, including super speciality hospitals. We have secured a diverse order book from distinguished clients in both public and private sector. Even in the private sector, we are working on well-funded projects, including projects with investments by esteemed global players.

Our revenue visibility is likely to gain further momentum owing to the quality of our order book and the reputation and recall of our brand. Over the past few years, while our order book size has expanded significantly, our project under execution have reduced leading to higher revenue contribution per project, better management and improved margin profile. During the year under review, we continued to embrace opportunities and leverage our strengths to significantly improve our overall performance during FY2022-23 (FY23).

Our revenue from operations for FY23 grew by 34%, to ₹ 1,791 crores, compared to ₹ 1,340 crores in FY22. EBITDA for FY23 grew by 56% to ₹ 360 crores vis-à-vis ₹ 232 crores in FY22. Our Profit After Tax (PAT) grew by 95% to ₹ 94 crores, compared to ₹ 48 crores in FY22. PAT margin for

the financial year 2023 stood at 5.2%, compared to 3.6% in the previous year.

The gross debt stood at ₹ 366 crores with gross debt-to-equity at 0.34, while net debt stood at ₹ 183 crores with net-debt to equity ratio at 0.17, demonstrating a strong balance sheet. The working capital cycle excluding retention stood at 117 days in March 2022 and improved to 105 days in March 2023. Our strategy now is geared towards meaningful reduction in working capital cycle, recoveries of old receivables and Free Cash Flow generations in near future.

Our focus is on strong cashflow, leading to shortening receivables, moderating debt, proactive investments in advanced technologies that accelerate construction and graduate to superior margin projects. We have also shored up our equity base via preferential issue worth ₹ 96.30 crores in July 2023, which further enhances our balance sheet strength.

In terms of order book composition approximately 70% of our order book is contributed by the public sector

and the rest by the private sector. Our bid pipeline remains robust with contribution from both public and private sector. The government bid pipeline in the housing and medical care sector is highly encouraging. One interesting trend is that over the preceding five years, the number of projects under execution has declined from ~60 projects to ~30 projects, however the order book has doubled.

Our market reputation, order book and financial performance demonstrate our capabilities and the progress we have achieved during the year. We will continue to build on our performance in the coming years, strengthening our execution prowess and further diversifying our portfolio.

We remain dedicated to strengthening our foundation to amplify value for all stakeholders with a long-term perspective.

Regards,

Rohit Katyal,
CFO & Executive Director



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FINANCIAL HIGHLIGHTS

Revenue from operations (₹ in Cr.)



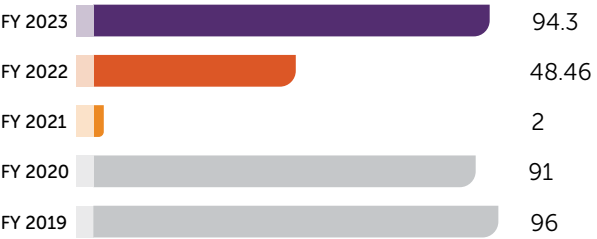
EBITDA (₹ in Cr.)



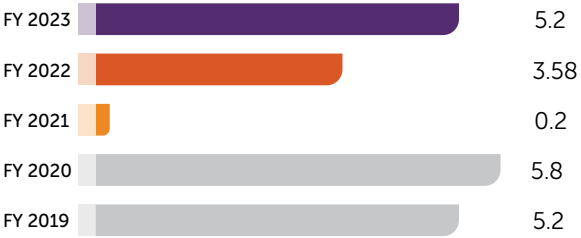
EBITDA Margin (in %)



PAT (₹ in Cr.)



PAT Margin (in %)

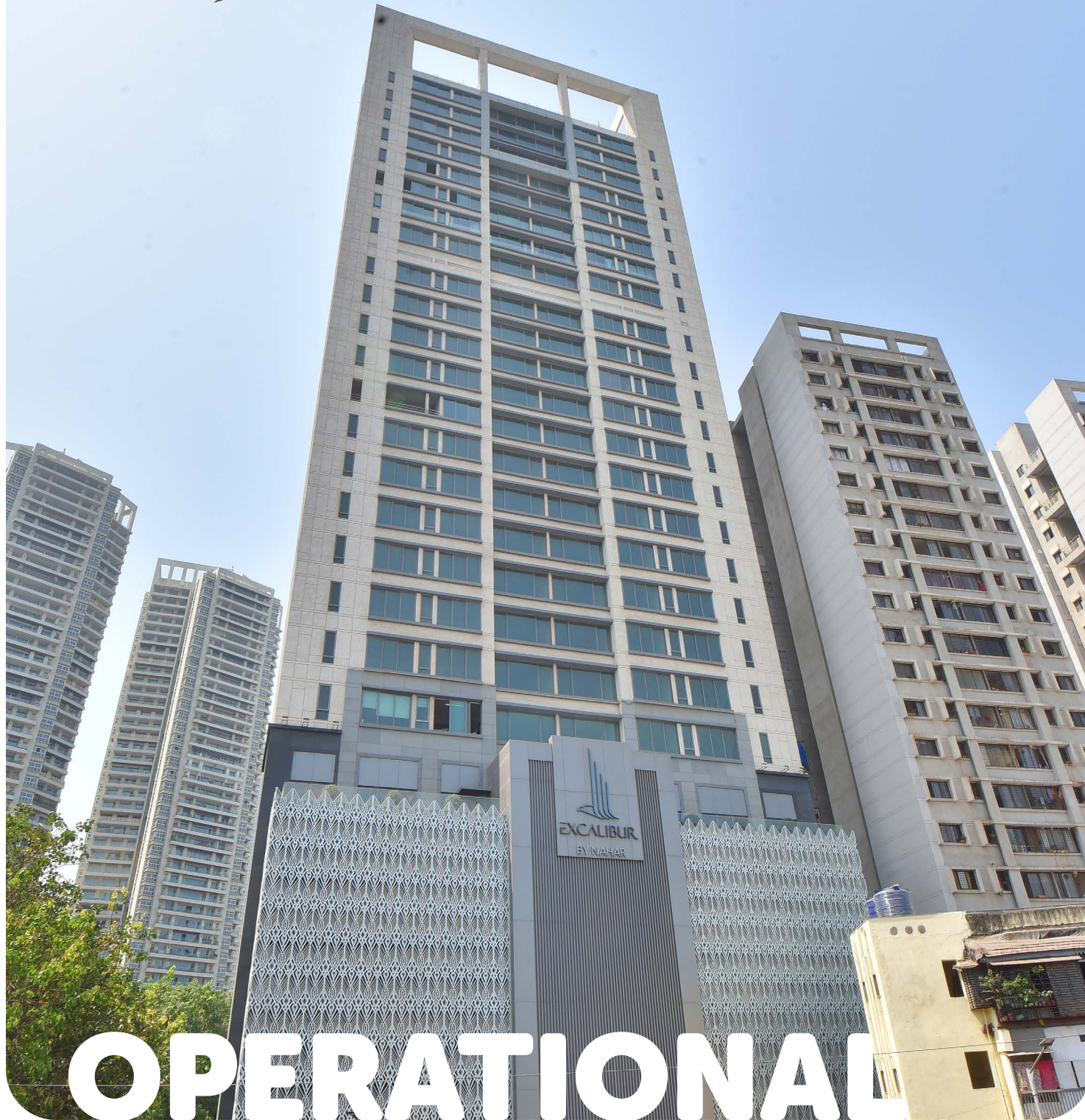


Cash PAT (₹ in Cr.)



Cash PAT Margin (in %)





OPERATIONAL HIGHLIGHTS

During FY 2023, we achieved a healthy order book with a significant share from the public sector that resulted in revenue uptick, coupled with improved profitability and sustainable growth.

Order inflow (₹ in Cr.)

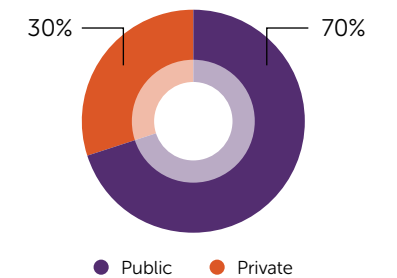


₹ 9,513 Cr

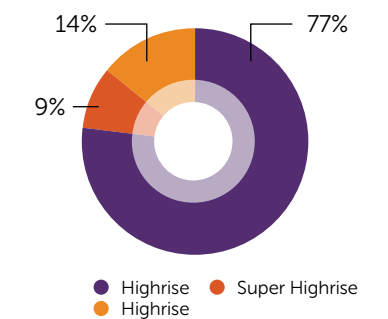
Order book as on March 31, 2023



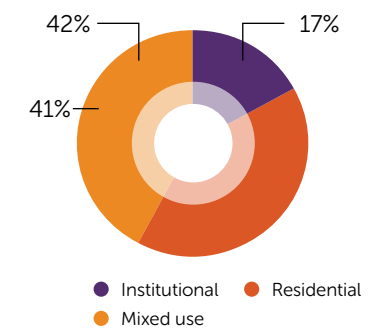
Private v/s public



Project split



Category-wise split

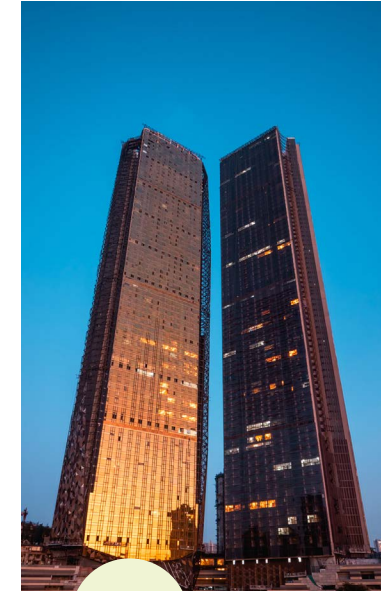




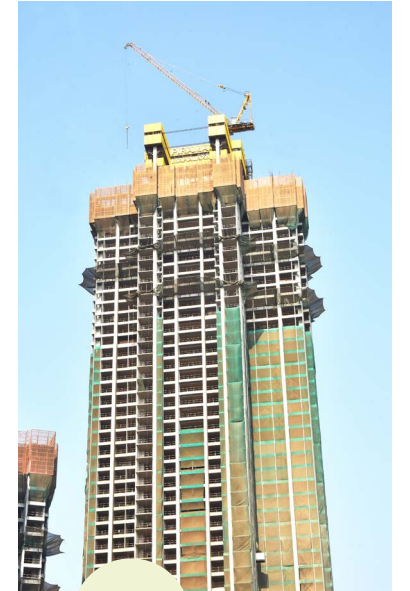
LANDMARK PROJECTS



World Trade Centre
Brigade Group



The Park
Lodha



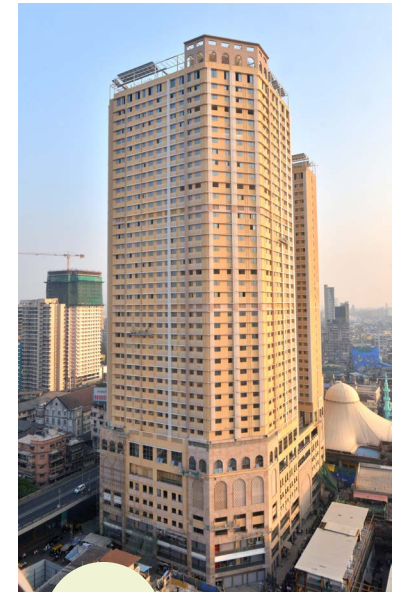
Mahalaxmi
Piramal



Juhu Bungalow
Oberoi



Altamount
Lodha



Saifee Burhani Upliftment Trust
Piramal



Excalibur
Nahar



Four Seasons



Kalpataru Immensa



Auris Serenity



Splendora
Lodha



Oberoi Enigma



Thane
Neelkantha



Emerald
Godrej



The Park
Hiranandani

WAYS WE DELIVER EXCELLENCE

