



Date : August 28, 2019

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

Sub: Chairman Statement at the 7th Annual General Meeting of the Company

Dear Sir/ Madam,

The Chairman's statement circulated at the 7th Annual General Meeting of the Company held today, i.e. August 28, 2019 is enclosed.

This is for your information and records.

Thanking you,

Yours Truly
For CAPACIT'E INFRAPROJECTS LIMITED

Sai Kedar Katkar
Company Secretary & Compliance Officer



Encl: as above

Chairman Speech

Good morning and a very warm welcome to everyone at the 7th Annual General Meeting of our company.

Industry update:

Post the implementation of RERA and GST a consolidation has been under way in the Indian real estate sector. These new regulations have aided the organized players to proportionately gain market share as the unorganised segment is shying away from launching new projects. Thus, it is evident that the branded players are clear beneficiaries of such ongoing consolidation, a fact which is reflective in the order book of Capacit'e.

Opportunities for Capacit'e:

The quantum of urban residential shortage in India is estimated at 19 million and is only expected to increase as the national population grows, urban migration accelerates, disposable incomes rise and nuclear families replace the traditional joint family structure. Growing migration of population to metro cities and scarcity of land for construction & development shall lead to progressive verticalization. We believe that with construction technologies getting increasingly sophisticated, towers will keep getting taller. This will further strengthen the relevance of Capacit'e's business model, focus and competence.

Further, The Pradhan Mantri Awas Yojana represents a huge business opportunity for EPC companies like us. The Centre has recently approved construction of nearly 1.4 lakh more houses under the PMAY, taking the number of houses to be built under the scheme to over 85 lakh, government plans to take this number to 1 crore by December 2019.

The commercial & institutional segment is also witnessing huge traction with investments by various global private equity players in recent times. Also, the rapidly growing warehousing, retail and healthcare sector further provides us with increased business opportunities.

How Capacit'e grew in difficult times:

Over the last five years, during one of the most challenging phases for the construction sector, marked by stretched Balance Sheets, Capacit'e grew revenues and profits every single year across five years. We were able to continue our strong performance in FY19 as well despite various headwinds faced by the industry. Post the fallout of the NBFC crisis, the Company continued its growth trajectory by posting 34% growth in revenues and 21% growth in profit after tax over FY18. It is noteworthy to mention here that, out of the entire profit generated during the last financial year, 52% was reported in the second half; besides, 50% of the order book accretion during the year under review transpired in the second half.

This was a result of our efforts to strengthen our business during this challenging phase with a distinct focus on geography, client quality, cash flows and also on controls, checks and balances. Disciplined Financial Management, Lean Management structure adaptability to change and Supply Chain Management has enabled us to post a robust performance even in such a challenging time and maintain a lean balance sheet.



Further, it gives me great pleasure to say that we commenced and completed the challenging Rs. 256 cr Super Speciality Cancer Hospital project for Tata Trusts during the financial year. We see this as one of the high points in our existence. This has substantially added to the capabilities and qualifications of the company to bid for any such project anywhere in India and substantially increase our exposure within the Tata Group.

We at Capacit'e continue to work with large and liquid clients in the private as well as public sector, thereby strengthening our revenue visibility and consequently enhancing stakeholder value.

Now, let me give you highlights of our standalone financial performance during FY19. During the financial year your company was able to post robust financial performance:

Your company posted a **Total Income** of ₹1,825 Crores in FY19, growing by 34% on a year on year basis.

EBITDA for FY19 grew by 25% to ₹285 Crores with an **EBITDA margin** 15.6%.

The Total Comprehensive Income for FY19 stood at ₹96 Crores showing a growth of 21% on a year on year basis.

Cash PAT for the year stood at ₹198 Crores, growing by 23% over the last year.

Dividend: For FY19 the Board of Directors have recommended a final dividend of 10% subject to approval of shareholders at today's AGM. Along with the DDT the Dividend pay-out works out at 11.7% of PAT.

Now coming on to our Orderbook:

Our Orderbook excluding MHADA as at end of March 31, 2019 stood at ₹ 7,177 Crores. Of this, Private Sector order book was ₹ 6,262 Crores and Public Sector was ₹ 915 Crores. Order from MHADA stands at ₹ 4,357 Crores. Our order inflow during the financial year stood at ₹ 3,629 Crores of which ~50% orders are repeat orders.

Residential segment contributes ~76% of the orderbook and Commercial & Institutional segment contributes ~24% which was a mere 2% in FY17. Large part of our orderbook is contributed by High Rise and Super High-Rise Buildings at ~43% of the Order Book, this reflects our specialization into this segment..

During the financial year we were able to add few more quality names to our clientele like Piramal Realty, Municipal Corporation of Greater Mumbai (MCGM) - Health Infrastructure Cell, BSNL (a DRDO funded project for data centres), Furien Engineering and Institute of Chemical Technology.

To conclude we would like to thank our employees for their commitment and support, our Bankers and Financial institutions for their financial support and cooperation, Board of Directors for their guidance and last but not the least to all our stakeholders for believing in us and helping us in moving forward towards our goal of transforming vision into reality.

