



“KNR Constructions Limited
Q1 FY '26 Earnings Conference Call”
August 12, 2025

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchanges on 12th August 2025 will prevail.



**MANAGEMENT: MR. K. JALANDHAR REDDY – EXECUTIVE DIRECTOR –
KNR CONSTRUCTIONS LIMITED
MR. K. VENKATA RAM RAO – GENERAL MANAGER,
FINANCE AND ACCOUNTS – KNR CONSTRUCTIONS
LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to KNR Constructions Limited Q1 FY '26 Earnings Conference Call. This conference may contain forward-looking statements about the company, which are based on beliefs, opinions and expectations of the company as on the date



*KNR Constructions Limited
August 12, 2025*

of this call. These statements are not the guarantees of the 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 then will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone.

I now hand the conference over to Mr. K. Venkata Ram Rao, General Manager, Finance and Accounts, KNR Constructions Limited. Thank you, and over to you, sir.

K. Venkata Ram Rao:

Good morning. Thank you for joining us today on the call to discuss the financial results for Q1 FY '26. Along with me, I have Mr. K. Jalandhar Reddy, Executive Director and Strategic Growth Advisors, our Investor Relations Advisors.

We have uploaded results and investor presentation on the stock exchanges as well as on our company website. I hope everyone got an opportunity to go through it. We would like to touch upon a few key company updates and industry events, post which we will have the question-and-answer session.

The first quarter of this fiscal year saw muted ordering activity in the road sector with the NHAI awarding only 166 kilometers of the highway project between April and June. On the execution side, however there was a modest improvement with NHAI consisting 1,092 kilometers of the highway in the quarter, slightly ahead of Q1 FY '25 levels.

One of the key factors contributing to the slowdown in the project rollout has been the government prudent decision to initiate bidding only after securing 90% of the required land and this measure aims at minimizing delay and ensuring smooth execution. However, the upcoming project pipeline remains strong with a robust portfolio worth of INR3.4 trillion encompassing 124 highways and expressway projects spanning 6,376 kilometers.

Of these projects, 84 are expected to be under the HAM model, 28 through the EPC mode and 12 under the BOT model. Despite the slower pace of new awards, operational indicators remain strong. FASTag toll collection recorded robust growth, with a toll user volume rose by 16% year-on-year and the total collection increased by 19% in Q1 FY '26.

The government is actively addressing key challenges by tightening bidding norms through the additional performance security requirement and introducing strict eligibility criteria for DPR consultants and engineers. At the same time, the highway sector is implementing smart construction technology and innovative practices to enable real-time monitoring, enhance transparency and boost productivity. Together, these reforms and technological advancements are set to significantly elevate the efficiency, speed and quality of the infrastructure development.

Now coming to the key update of the company. The percentage of physical progress as of June 30, 2025 for the HAM project is as follows: Ramanattukara to Valanchery approximately 99%,



*KNR Constructions Limited
August 12, 2025*

Valanchery to Kappirikkad approximately 98%, Chittor to Thatchur approximately 94%, Magadi to Somwarpet around 89%, and Marrisudi to Somavarappadu approximately 43%.

As of June 30, 2025, the company has already invested INR676 crores out of INR990 crores of the revised equity requirement for the HAM project. The additional requirement of INR314 crores to be infused as INR185 crores in FY '26 and INR129 crores in FY '27. You can refer to the Slide number 23 of the investor presentation for the detail on each HAM project

On May 21, 2025, the National Highway Authority issued a show-cause notice to the KNR Ramanattukara Infra Private Limited, a wholly owned subsidiary of KNR Constructions Limited as well as to the parent company itself regarding certain concerns relating to the main carriageway, service road and the associated structure. This notice led to one month suspension for participating in the future bidding process.

In response, the concessionary promoter submitted a detailed reply to the NHAI addressing the concern raised subsequently given the implication of the suspension, the concessionary approach to the Honorable High Court of Delhi seeking relief to allow continued participation in ongoing and future bid.

On July 21, 2025, the Honorable High Court of Delhi is of considered opinion that the impugned order by the NHAI has lived its life and further observed that under the rise of the suspension, the bar on the petition right to bid in the future bidding seems to be a drastic measure.

The investigation is completed and also the one month period as mentioned in NHAI request is completed. Therefore, the suspension order should not be treated as disqualification anymore. The department, however, shall be at liberty to take further action in accordance with the extant policy.

Furthermore, the company in the joint venture with Harsha Constructions Limited has received a Letter of Acceptance from NTPC for development and operation of Banhardih coal mine block in the Jharkhand with the company's share of 74% and the other partner share of 26%.

The project has a contract value of INR4,800 crores, excluding GST with a five years operation period plus initial development period of 360 days. The coal quantity to be extracted approximately 34.5 million tons. The project marks the company's strategic entry into the new business segment, expanding its presence beyond core infrastructure.

Now coming to the order book position. As of June 30, 2025, the company's total order book stands at INR8,305 crores, which is divided into 27% of the road project, 17% for the irrigation project, 13% for the pipeline project and 43% for the mining project.

Client-wise, the bifurcation is 79% of order book is from the third-party client and balance 21% is from the captive HAM project. The third-party order book percentage is split between the State Government contract of 74%, includes this mining project, whereas 4% for the Central Government and balance 1% is from the other private sector.



The current order book will be executed over a period of one and a half years to two years, excluding mining project. With the government emphasis on infrastructure development, we anticipate new order awards in the coming quarter. We hereby aim at order inflow of approximately INR10,000 crores to INR12,000 crores by the end of FY'26. It's a mix of NHAI projects, irrigation project, mining projects and other state government projects.

Now let me take through the Q1 FY '26 stand-alone financial performance first, followed by the consolidated performance. The revenue for the quarter stood at INR483 crores. EBITDA for Q1 FY '26 stood INR66 crores as compared to INR192 crores in Q1 FY '25. EBITDA margin in Q1 FY '26 is 13.6%. Net profit for the quarter was INR51 crores vis-a-vis INR134 crores in Q1 FY '25.

Now coming to Q1 FY '26 consolidated financial performance. The company recorded a total revenue of INR613 crores in Q1 FY '26 as compared to INR985 crores in Q1 FY '25. EBITDA came at INR183 crores in Q1 FY '26 compared to INR279 crores in Q1 FY '25. EBITDA margin in the current quarter stood at 29.9%. Profit after tax stood at INR123 crores in Q1 FY '26.

Now moving on the stand-alone balance sheet. The company continued to maintain a strong balance sheet. The working capital days now stood at 169 days compared to 93 days as of March '25. The consolidated debt as of June 30, 2025 stood at INR2,018 crores as compared to INR1,847 crores as of 31st March 2025. The net debt to equity on a consolidated basis as of 30 June 2025 stands at 0.43x as compared to 0.41x as of 31st March '25.

With this, we can open the floor for question and answer. Over to you.

Moderator:

Thank you very much. The first question is from the line of Shравan Shah from Dolat Capital. Please proceed. As there is no response from the current participant, the next question is from the line of Alok from Motilal Oswal. Please proceed.

Alok:

So sir, I just had a few questions. One is execution has been very muted in this quarter. So, first is, what led to such a low execution even if we look at Y-o-Y basis or considering it was not even a monsoon quarter still we have delivered pretty soft execution?

So how are we seeing the coming quarter? Because again, now we are in the monsoon quarter. So again, the execution will be slow. So, for full year, you had guided for nearly INR2,500 crores to INR3,000 crores revenue in the last earnings call. So, any update on that?

K. Venkata Ram Rao:

Definitely actually this quarter, the revenue has muted. The reason is being that actually whatever the existing order book is there. So, except four projects, other projects is almost over 90% has been completed. And the four projects, what is there, that is basically two these HAM projects where we have got appointed in the month of April only. And another one project is the Mangalore and one is project we got appointed in the last year.

So due to actually the project has achieved almost complete, except these four projects, almost all projects have been completed. And this quarter also the revenue from the irrigation has been



very, it is just 6% of the total revenue. Because the project has achieved all projects and order book is also very less and the projects have achieved almost more than 90%. And whatever the new projects are there, they have just started. So that's why this quarter is a muted turnover.

Alok Deora: So what's the outlook now since we got appointed date also for a project in April? So what's the outlook on execution for 2Q as well as the remaining part of FY '26?

K. Jalandhar Reddy: Actually, sir, that Mysuru project we are talking about there are two projects inside. I think that EPC value may come Rs. 1,200 crore. So here we have a focus to complete this project by coming October, November. So, one more year we are planning bonus also as the resources are free. So, we would like to give more thrust to complete this project as soon as possible.

So anyhow it is going to take another one year. Now up to November we'll be able to complete it. So entire revenue whatever that is there, periodically it will come, rainy season it is less. But during the dry season it is almost equal. So more or less dry season will be about INR40 crores, INR40 crores in each of the project.

So, INR80 crores we can expect in dry months. During the rainy month this is hardly around INR10 crores to INR15 crores side of business because most of the progress is not so fast.

Alok: So for full year, what is our guidance? Any number you want to share?

K. Jalandhar Reddy: I think up to this March, I think we'll be able to do around say...

Alok: For the stand-alone entire company?

K. Jalandhar Reddy: INR2,000 to INR2,500 crore we are taking on it. But however, any new orders which are coming up and their commitments are happening those will add to that actually.

Alok: So sir, actually, INR2,000 and INR2,500 is a big range actually. And I mean, we had started last quarter.

K. Jalandhar Reddy: While we are anticipating like this as most of the projects have come to an end, one thing. And the new projects under pipeline, which were considered to be started, we do not know when they get started. So that is the major reason this is unpredictable, a little bit dilemma.

Alok: Okay. Because last quarter also, we knew about these projects getting over. So we mentioned about approximately INR2,500 to INR3,000 revenue.

K. Jalandhar Reddy: Yes, sir, I'm very sorry this time. We have done our best in pushing for orders. Whenever there is a tender regression, we have seen and all that, we have done our best. But due to the market being very, very aggressive, so we couldn't achieve the L1 status in any of the projects.

There are certain projects which we have already told you that some pipeline projects, they would likely to come down in two months' time which is Maharashtra one MSRDC and few



other projects in Telangana we have some flyover projects, say INR700 crores, L1 status we are enjoying I think. I think by the time they come up another one - two months

Alok: Sure. Sir, so if I just take the first quarter number, I mean, then the quarterly run rate will remain largely the same only of INR500 crores. There is no improvement in the second half if we are going to do INR1,000 crores revenue?

K. Jalandhar Reddy: Because the pace is like that as well further you might have seen that rainy season is very aggressive this time. Where most of the time, it is aggressive but we are a very aggressive rainy state like in Karnataka, some Mangaluru project is also a little bit, work is left out in that, but there are also heavy rains going on. And the Kerala is, you know the Kerala is kind of bad. So rest all other areas Mangaluru, AP and all they are okay. Mysore also, to some extent, we are able to do job...

Alok: And sir, just one last question. This working capital has spiked quite significantly if we look at just as compared to March, especially the debtor days has gone up from 4.5 months to nearly 8 months now. So what's happened there?

K. Venkata Ram Rao: Basically, out of debtors, actually, irrigation is around INR800 crores is irrigation actually and INR1,200 crores HAM project is there out of INR1,200 crores of debtors. And irrigation is still with unbilled and everything is still around INR1,300 crores pending with the state government.

So in this quarter, we got only just INR14 crores actually. That's a small amount only we got in this quarter. So that's why the irrigation debtors are more and now that corresponding turnover has also reduced. So that's why if we compare with that, that's why the working capital cycle has come more actually.

Alok: Okay, sir. That's all from my side. Thank you and all the best.

Moderator: Thank you. The next question is from the line of Shravan Shah from Dolat Capital. Please proceed.

Shravan Shah: Sir, again, coming on the execution front and the order inflow. So that's the two pain points for us. So let me bifurcate all these things. So, in terms of the mining order that we have received, INR3,500-odd crores, how much revenue this year, next year are we looking to get from that?

K. Jalandhar Reddy: So this year, actually that means after commencement, within one year, we can only spend about INR90 crores. And later we should go by INR700 crores per annum kind of thing. So that is the expected revenue that we get.

Shravan Shah: Okay. Got it. Second, in the water pipeline, this INR1,000-odd crores that we have. So there, how much INR1,073 crores is the kind of a value is there. So out of that, how much revenue are we likely to get this year and next year?

K. Jalandhar Reddy: Actually, sir, by March, I think around INR500 crores we are expecting out of that. And balance we need to complete within November next year.

Shravan Shah: Okay. Balance in the entire will be in FY '27. Got it. Third, you already said the two HAM projects are INR1,200 crores that we will be completing in next year. And one more HAM project is there, so Marrisudi to Somavarappadu, so that we will be entirely completing this year?

K. Venkata Ram Rao: Yes, yes. We will complete most in this year.

Shravan Shah: Okay. Got it. Then the balance is the irrigation projects. So, first of all, the old one, how much more do we think -- so first is on the payment. So, INR1,300 crores is pending. Do we think that we will be able to get the money from there by this March and how much? And second is the two new irrigation projects that we have got in Telangana, around INR430-odd crores. So, from there, how much more revenue are we looking to get in this year?

K. Jalandhar Reddy: Actually, around one week back, our MD sir and the concerned Minister had a meeting and they have promised to pay within a month's time. And there now actually we will process that they have moved to get the loan on track. So once the loan coming on to the track, I think we will get paid. So, this time, we have a strong assurance to get paid from the dues. So that is one good news, sir.

And rest of it, the balance work we will complete and once this is on track, so there should not be any problem. I think by March, we will be able to complete the entire project. Only that is that the canal project, which is having land problems. I think if they pay for the land acquisition also, I think that project gets completed because the pump out project they can commence by another 2-3 months.

But what happens once we get the payment, we will take 2 to 3 months to commence the project actually. But inflow canal is not ready because we are doing the inflow canal. So, that will be a meaningless thing. So, they'll be very keen to do that also. And we heard from the secretarial sources one more thing that central government wanted this entire kaleshwaram project to be completed.

Once they completed and they are ready to take over to pay instalment to the bank. Central government is going to pay the instalment to the bank. So they have got certain assurance to go ahead. So further there should not be any problem, we are thinking.

Shravan Shah: Still I wanted -- so out of INR1,300 crores that we will still have to get from the government for this irrigation, how much do we think that by March, we will be able to receive?

K. Jalandhar Reddy: So actually, if everything is in track, I think INR1,200 crores should come in our hand. But if the cuts are there because of the land acquisition.

K. Venkata Ram Rao: Out of that INR800 crores is certified itself. So INR800 crores once this issue is sorted out INR800 crores, they will immediately release. And balance is once the bill has been approved. So that will also they will release the balance amount.



- Shravan Shah:** Okay. Okay. Got it. Second, sir, this INR10,000 crores to INR12,000 crores order inflow that we are looking at. So, I hope that excludes this INR3,500 crores. So, we will be additionally looking at INR6,500 crores to INR8,500 crores order inflow. So there also, if you can help us how much value of projects, we have already bid? Is there any L1? And second, do we think that this INR3.5 lakh crores NHAI pipeline initially, will there be a decent competition? And how much are we looking to bag from NHAI particularly?
- K. Venkata Ram Rao:** Sir, what we are projected INR10,000 crores to INR12,000 crores is excluding mining project. So right now we are targeting INR10,000 crores because INR8,300 crores is order book and above that INR10,000 crores to INR12,000 crores we are targeting. Out of that actually almost around INR2,500 crores we are targeting in Tamil Nadu and MSRDC INR2,200 crores is there and around INR2,000 crores we are targeting in Andhra Pradesh.
- And around INR700 crores projects -- that flyover projects are there in GHMC Hyderabad and some projects in mostly river front also we are expecting some project and definitely some of the projects in irrigation sector in Madhya Pradesh, Rajasthan and some projects in Bihar and definitely, NHAI is also coming with INR3.5 lakh crores of order. On that also, we are targeting. So after considering all aspects, we are targeting around INR10,000 crores to INR12,000 crores of order.
- Shravan Shah:** Okay. So net-net this INR10,000 crores plus this INR3,500 crores, INR13,500 crores, at least we will be targeting for this year. That's great. And last, sir, in terms of this mining project and whatever the new, do we think that 13%, 14% margin guidance EBITDA level, that will be maintained? Or will there be a possibility that we may have to maybe lower down to maybe 1-odd% lower?
- K. Jalandhar Reddy:** Yes, 1% or 2% lower, we can think of it, as it's very early to say anything on that as a new project with us and all the care that has been taken with the available data bank and the consultant we have taken on board. So with all those inputs we have quoted the tender. But however margins are a little less in mining. You also know that.
- Shravan Shah:** Okay. But at a blended level for company still 13%, 14% EBITDA margin is doable now or maybe 12-odd percent is the way one can look at it?
- K. Jalandhar Reddy:** Yes, it depends. Main thing is that we are thinking it should be doable because we are expecting some more orders to add in this coming quarter. So main thing is that if we add some more orders and started execution on those orders, then the dilution will happen on the manpower expenditure and assessment expenditure. So then that will stand too. Otherwise little bit here and there, things will happen.
- Shravan Shah:** Okay. Lastly, two things, sir. Monetization has anything we were supposed to do by this July. So any progress there? And how much capex because for mining, we have to do a decent INR300 crores, INR400 crores kind of capex. So, for this year and next year, what would be the capex?



- K. Venkata Ram Rao:** Monetization process is under advanced stage and we are expecting that within next month actually, by one month, we should sign the SPA with the prospective investor. As far as capital requirement for this mining project so initially because early removal will be there.
- So that we will do with our existing assets. But once we will go in depth and start accepting the coal at that time, we may require some big machineries and equipment. So not much requirement in this year, but definitely in the next year, there will be big requirement for mining assets.
- Shravan Shah:** What would be the PAT company level...
- K. Venkata Ram Rao:** Shravan, you can go last question.
- Shravan Shah:** Yes. The capex number only sir, wanted for next year, will it be INR300 crores, INR400 crores kind of capex in FY '27?
- K. Venkata Ram Rao:** It could be. It could be.
- Shravan Shah:** Thank you, sir, and all the best for order wins.
- Moderator:** Thank you. The next question is from the line of Niteen from Aurum Capital. Please proceed.
- Niteen:** Thank you for the opportunity. Sir, my question is since now our order book is getting built during the current financial year, so what will be the revenue and EBITDA guidance for the year? Will there be a negative growth during the year?
- K. Venkata Ram Rao:** Because as we explained in the earlier our questions this year because right now, we have order book of around INR8,300 crores. Out of that, around INR3,500 crores pertaining to mining. And in mining this year, we may not expect much turnover, maybe around INR90 crores to INR100 crores turnover will come from the mining projects only. So this year, that's why our target is around INR2,000 crores to INR2,500 crores we are going to execute in this year.
- Niteen:** Okay. No, because in the last call, we mentioned about INR2,500 crores to INR3,000 crores. So is there any reduction in the target for the revenue?
- K. Venkata Ram Rao:** Because last call, we thought that actually we will receive this order actually, but we have not got any order except mining and mining order has its own gestation period. So still if we receive some order immediately and which can be executable, so definitely, we will achieve that target. But now almost already five months has gone.
- If we receive any HAM project, definitely, it is not going to contribute in this year. If we receive some EPC projects, then we may try to do some contribution in the Q4. But as our guidance now, we are small, we have just decreased our guidance. Now it is around INR2,000 crores to INR2,500 crores for this year.
- Niteen:** And EBITDA, sir, what is the range?



- K. Venkata Ram Rao:** EBITDA will be somewhere around 13% to 13.5%.
- Niteen:** And my second question is, sir, we had filed a court case against regarding the payment delay from the Telangana government. And if I remember, the payment amount was INR977 crores, something like that. So, what is the status of that?
- K. Venkata Ram Rao:** That's why now actually, sir has already explained last month, we have one very progressive meeting with the government of Telangana. So now they are starting out that bank funding issue for the project. And we expect that now they will clear at the earliest. So, by this March, definitely, whatever the certified bill is there around INR800 crores, we should get it. And balance also whatever the unbilled balance around INR400 crores, INR500 crores is there. That also we are targeting to build it and take the money.
- Niteen:** And this includes the interest due also since there is a delay or any other amount also or just the billed amount that we are recovering?
- K. Venkata Ram Rao:** We have put a claim along with the interest, but we have to see actually how interest we have to get done. But first, we are targeting to get our principal amount. And definitely for interest, whatever action is required from our side, definitely, we will take it.
- Niteen:** Thank you and wishing you the best.
- Moderator:** Thank you. The next question is from the line of Hiten Jain from Avendus Spark. Please proceed
- Hiten Jain:** Thank you for the opportunity. Sir, my first question was on the order inflow part. I understand that there's been a slowdown due to land acquisition issues and NHAI has put up a pipeline of INR3.4 lakh crores in FY '26. I just wanted to understand, is there also a delay because every project needs to get a cabinet approval for NHAI to award? That is first question, first part of the question.
- And second part of the question is when do you expect any new long-term plan on roads from the cabinet, something like a Vision 2047. Yes. I just wanted to understand what the government is thinking in terms of order inflow for roads.
- K. Jalandhar Reddy:** Actually, sir, internally, NHAI has, is at compulsion to get the approval. So, that is right. Further, they are also linking to the land acquisition issues so the delay that is causing all this. And the second question, what was that?
- Hiten Jain:** Vision 2047.
- K. Jalandhar Reddy:** Yes. That's what the main thing is as it is linked to the land acquisition issues may be really that is quite difficult to say how much they are going to. But I think a little bit dilute on the term because any HAM project, I think likely HAM project could come up at around INR2 lakh plus crores to be on HAM only, but what the news it's on. So according to that, once this so much HAM is coming out, definitely, we all have our own role to play.

But second thing, sir, the land acquisition can happen in phases. So if they have confidence to complete the land acquisition within six months' time, they can as well go for tendering. So the tendering time would be around 45 days further again, another one month to issue the LOA. And further announce LOM and do the LOA also. And after that this agreement will take another nine months to 10 months package they will have in hand.

So within that, they can do wonders if they plan it well. So, what they are really looking to push the case because they are targeting so much. So probably they will dilute this and come to this time. That is what I am estimating, sir.

Hiten Jain: Understood. Understood. Sir, just for my understanding to summarize what you said, NHAI first has to acquire the land 90% and then get a cabinet approval and then award the project or first the cabinet approval comes and then the land acquisition comes?

K. Jalandhar Reddy: Actually, cabinet approvals, I think they will put the status of the land -once they are sending the file, they will put the current status of the land acquisition and they are sending it. And assurance to complete the balance land acquisition, they are mentioning some date and sending it. That is what is happening, what I heard.

Hiten Jain: Okay. But they do need a cabinet approval, right, after above INR1,000 crores project worth of project?

K. Jalandhar Reddy: That's what you see.

Hiten Jain: Understood. So it's more like a check this cabinet wants to do...

K. Jalandhar Reddy: So below INR1,000 crores, they may not be sending. But below INR1,000 crores, there is no meaning also to quote down because what is happening...

Hiten Jain: Understood. So just the last point to conclude. So everything depends on the land acquisition, how fast and how well planned the NHAI does the land acquisition. Am I right?

K. Jalandhar Reddy: Yes, or if they have confidence then it can be acquired

Hiten Jain: It can be acquired, understood. Thank you and all the best, sir.

Moderator: Thank you. The next question is from the line of Rehan Saiyyed from Trinetra Asset Managers. Please proceed.

Rehan Saiyyed: Thank you for the opportunity. Most of my questions are already answered. I just want more clarification on...

on diversification side, you have mentioned an ambition to enter metro and railway etcetera, What tangible steps have been taken towards that's this so that it bids in advance stage just put some light on that?



- K. Jalandhar Reddy:** Yes, actually once there are bids -- in the quantum of size which we are expecting. Definitely we are there sir. We have already discussed with NCC to quote in metros and earlier also we have quoted and in future also we'll continue to quote this.
- Rehan Saiyyed:** Like sir, if you could clarify, from which year we have seen contribution from the sector like FY '27 or in next quarter?
- K. Jalandhar Reddy:** Sir, there is an echo, we could not able to understand.
- Rehan Saiyyed:** Sir, I will join back in the queue.
- Moderator:** Thank you. The next question is from the line of Faizal Hawa from H.G. Hawa. Please proceed.
- Faizal Hawa:** Once this money comes in from the HAM projects of the equity as well as the profit, do you feel that we will be net cash positive? And from December -- assuming that this money comes in, in October, will the interest of this INR48 crores go down to less than INR10 crores December ended quarter? That is one question.
- Secondly, sir, in this quarter, the consolidated EBITDA has come to 30%, whereas you are guiding for 13% to 14% -- so what has happened in this quarter that we have had this 30% EBITDA?
- K. Venkata Ram Rao:** One thing is there definitely as of now also, we are cash positive in stand-alone, we have INR5.5 crores of the debt and INR81 crores is there in the cash. So as of now also, we are there cash surplus. Definitely on the monetization of these assets, it will further improve our liquidity position. I think you are telling about consol figures.
- So definitely, once we will wipe off these assets. So we will be going to the prospective investors. So definitely, this whatever the finance cost is there. So the four assets will be diluted, definitely that debt actually will definitely pass on to the investors. That is one thing and...
- Faizal Hawa:** How did we manage this 30% EBITDA?
- K. Venkata Ram Rao:** That is in consolidated level, sir.
- Faizal Hawa:** But even in consolidated, I mean, what is the...?
- K. Venkata Ram Rao:** Stand-alone is EBITDA 13.5%, sir, stand-alone...
- Faizal Hawa:** Any kind of extraordinary payments from any kind of sale of projects?
- K. Venkata Ram Rao:** No, nothing, sir. That will come in stand-alone also. We sell in our investment also. So that amount also will reflect in the stand-alone. But I think you are talking about the consol perspective. Yes, yes. So definitely because whatever finance cost is there, that is below EBITDA. So that is why it is showing comparative more. Otherwise, on an average basis it is because PBT is around 23% and PAT is round 20%.



- Faizal Hawa:** Yes. But sir, again this financial year itself, if we get this around INR1,000 crores from Telangana previous used and say another INR1,000 crores comes as HAM equity profit and we generate another INR500 crores cash. You said that the capex is hardly something like INR200 crores for this year. So and our stock has reached almost where the book value of the stock is. So why is the company not using this money to go in for a buyback or more aggressive dividends?
- K. Venkata Ram Rao:** Sir, definitely
- Faizal Hawa:** The cash which is going to come in this financial year is almost half of our market cap?
- K. Venkata Ram Rao:** But actually, whatever the money we are there -- because now we are targeting to get actually - - we want to diversify in other sectors. So we are targeting some even BOT toll assets also. But we are talking to the investors suppose at least one or two projects if required, we can put our own also. So we are seeing that options also.
- That's why whatever the cash actually available with the company, definitely, we are going to use in our future projects only because now we are divesting some metro or some other sectors like in mining has started and other sectors, solar also. So definitely there cash requirement will be there. So whatever the money available in the company, we are going to use for the growth of the business of the company.
- Faizal Hawa:** And sir, once the proceeds from the HAM project equity sale comes through, is my assumption right that the interest cost even on a consolidated basis will be almost less than INR10 crores?
- K. Venkata Ram Rao:** We have to see. Because a lot of debt will also wipe off on the balance sheet. So definitely interest will be reducing. But new projects also will add actually. So we have to really see. But definitely, we have almost INR2,000 crores debt in the existing four assets. So definitely, it is going to be reduced.
- Faizal Hawa:** Okay. Thanks a lot, sir.
- Moderator:** Thank you. The next question is from the line of Bhavin Modi from Anand Rathi. Please proceed.
- Bhavin Modi:** Hi, sir. Thank you for giving the opportunity. Sir, can you give me the breakup of the revenue with respect to the different segments, how much revenue each segment cater this quarter?
- K. Venkata Ram Rao:** Yes. This quarter actually, we got 58% revenue from the HAM road project and 6% from the irrigation and 31% from our EPC road project and 5% will be our back-to-back projects.
- Bhavin Modi:** Okay, sir. My second question is with respect to, sir, what is our unbilled revenue standing today?



- K. Venkata Ram Rao:** Unbilled is INR996 crores.
- Bhavin Modi:** So sir, my order book of around INR8,000 crores, does it include this INR996 crores also?
- K. Venkata Ram Rao:** You have to exclude that INR996 crore in order book.
- Bhavin Modi:** So then my net order book is something around INR7,000 crores, something like that, right?
- K. Jalandhar Reddy:** Yes, yes, correct.
- Bhavin Modi:** Okay, got it. And sir, this INR996 crores is entirely belongs to the irrigation unbilled revenue?
- K. Venkata Ram Rao:** No, It belongs to irrigation as well as road. Entire, all put together.
- Bhavin Modi:** Okay. So I will take the breakup of this unbilled revenue offline.
- K. Venkata Ram Rao:** Yes, yes.
- Bhavin Modi:** Thank you, sir.
- K. Venkata Ram Rao:** Right. Thank you.
- Moderator:** Thank you. The next question is from the line of Shrey Mehta from Nuvama Wealth Management. Please proceed.
- Shrey Mehta:** Hello. Hi. Thank you for the opportunity. Sir, with respect to the coal mining block that we have been recently awarded, how much capex and depreciation should we factor in for this project?
- K. Venkata Ram Rao:** Sir as you told because this year is first year this project is 5-year operation and 1-year development and the first year will be the development stage. So this year, definitely, we are not expecting much capex, and we may do some overburden removal in this year and that we will do with our existing assets only.
- So, this year, capex requirement may not be much, but definitely, once we start extracting the coal, then we require heavy mining machinery. So that will be not in this year, maybe from the next year onwards, that requirement will come. For entire project, we are expecting somewhere between INR300 crores to INR400 crores of the capex.
- Shrey Mehta:** Okay, sir. And sir, regarding depreciation?
- K. Venkata Ram Rao:** Depreciation because we will work in three shifts actually on that project so almost 5 years will be there. So entire 5 years actually, we will depreciate the entire asset.
- Shrey Mehta:** Okay, sir. Understood. Sir, what will be the net working capital cycle for this project?
- K. Venkata Ram Rao:** For this -- specific this project, isn't it?



- Shrey Mehta:** Yes, yes, regarding this project.
- K. Venkata Ram Rao:** That we have to really assess because that we will pay the money when we extract the coal only. So whatever the overburden we have removed, we will get only 10% of payment against overburden only. So we have to just assess actually we have to see the mining plan and we have to do roadblock and where coal is nearby. So like that, we have to do the entire planning only, then only we can really tell us.
- Shrey Mehta:** Sure, sir. Noted. Sir, what is the amount of capex that we have incurred in Q1 FY '26?
- K. Venkata Ram Rao:** This one?
- Shrey Mehta:** In this quarter, yes.
- K. Venkata Ram Rao:** INR3 crores, I think.
- Shrey Mehta:** INR3 crores?
- K. Venkata Ram Rao:** Just INR2 crores actually.
- Shrey Mehta:** Okay, sir. Noted. And sir, for the entire year, it's INR200 crores, right? You mentioned INR200 crores for this entire year.
- K. Venkata Ram Rao:** No, no, not this year actually. Next year might be. Next year some mining project actually will be required INR300 crores to INR400 crores. But this year depend upon when we are getting these projects done.
- Shrey Mehta:** Sir, I'm asking the capex for the entire company -- for the entire company as such. How much capex have we incurred in Q1 FY '26 for the entire company operations?
- K. Venkata Ram Rao:** Only INR2 crores that's it.
- K. Jalandhar Reddy:** For the entire company, it is only INR2 crores.
- K. Venkata Ram Rao:** Entire year may be maximum INR100 crores.
- Shrey Mehta:** INR100 crores. Okay, sir. Sir, lastly, what is our bid pipeline?
- K. Venkata Ram Rao:** Bid pipeline is almost INR3,500 crores is there.
- Shrey Mehta:** INR3,500 crores.
- K. Venkata Ram Rao:** Yes. Yes.
- Shrey Mehta:** Sir, can you give a bifurcation of the same?
- K. Venkata Ram Rao:** On that MSRDC is INR2,200 crores.



- K. Jalandhar Reddy:** And up to INR700 crores standing L1 in Telangana flyover project.
- K. Venkata Ram Rao:** So that is almost equal to INR3,000 crores.
- K. Jalandhar Reddy:** Yes, yes. It is around INR3,000 crores.
- Shrey Mehta:** Okay, sir. Thank you so much and all the very best.
- K. Jalandhar Reddy:** Yes. Thank you.
- Moderator:** Thank you. The next question is from the line of Vaibhav Shah from JM Financial. Please proceed.
- Vaibhav Shah:** Yes. Sir, you mentioned that FY '26 revenue would be impacted. But can we see a sharp growth in '27 given the uptick in the HAM projects and also revenue coming in from the water and the new mining project? So can we see a revenue of around, say, INR3,000 crores, INR3,500 crores?
- K. Jalandhar Reddy:** It is an assumption kind of that. So definitely, we are focusing on this around INR12,000 crore order intake. If we are able to get this next year that upcoming year will be a complete full scale execution year. So definitely, we will come into the normal mode of turnover as well.
- Vaibhav Shah:** Okay. Okay. Sir, secondly, what was the execution on the water project in Q1? And what are you targeting for the entire year?
- K. Venkata Ram Rao:** Q1 actually, we have done just very minimal only we have done not much in this year, for entire year we are targeting somewhere around INR500 crores.
- Vaibhav Shah:** The execution will pick up from second quarter itself for the pipeline project?
- K. Venkata Ram Rao:** It actually, we did around INR200 crores of the work in that project, but it is not billed because that until we put tap and water is coming, then only we are able to get the revenue. So, a lot of overhead tanks, pipelines, that work we completed. But we could not able to bill it and this work we generally have given to our subcontractor work we have given.
- That's why we cannot consider in our unbilled also, because we have not incurred that expenditure. So, once actually they will achieve that milestone, so immediately billing will be there. So that's why we are targeting around INR500 cores worth is going to certify in this year.
- Vaibhav Shah:** Okay. And sir, lastly, out of the unbilled revenue of INR996 crores, irrigation will be around INR500 crores. So the remainder is entirely roads or some water also is there?
- K. Venkata Ram Rao:** Water is not there. I told you water there is no WAC, but...
- Vaibhav Shah:** So it is INR500 crores each from highways and irrigation?
- K. Venkata Ram Rao:** Yes, it is. Total INR990 crores is there. Out of that, almost INR500 crores is irrigation and left is roads.



- Vaibhav Shah:** Sir, and what execution are we targeting from irrigation segment in '26 and '27?
- K. Venkata Ram Rao:** Right now, we have almost INR1,400 crores order book is there of irrigation. Out of that INR1,400 crores, INR500 crores is anywhere we have built. So now net order book is only just INR900 crores. So out of INR900 crores this year, we may execute you can say around -- INR300 crores to INR400 crores in this.
- Vaibhav Shah:** Okay. And sir, lastly, on the MSRDC project, when do we expect to get the LOA? And what execution are we targeting in FY '26?
- K. Jalandhar Reddy:** Sir, I think another 2 months within that because of the land acquisition only they are hanging there, I think. And I think final approval the CM is pending. So another 2 months they said.
- Vaibhav Shah:** And so in this year, can we expect revenue of around INR200-odd crores or 10% execution.
- K. Jalandhar Reddy:** Actually let the order comes then only I can comment. Okay. Though I have taken some assumptions to the turnover expectation, maybe yes, INR200 crores is possible if it comes in 2 months. Definitely, we can do some earthworks and all that. And we'll have at least 4, 5 months in hand. Okay.
- Vaibhav Shah:** Okay. Thank you, sir. Those were my questions.
- K. Jalandhar Reddy:** Yes, yes. Thank you.
- Moderator:** Thank you. The next question is from the line of Shravan Shah from Dolat Capital. Please proceed.
- Shravan Shah:** Sir, just a clarification. Sir, when we -- in the previous question answer when you said that the bid pipeline is INR3,500 crores, that means that this is the INR3,000 crore value -- INR2,200 crores MSRDC and INR700 crores Telangana, we are kind of L1.
- Telangana, obviously, we are L1 flyover and INR2,200 crores MSRDC also once the government approves, so we will be getting there. So that is the way you wanted to say? Because the question was in terms of how much more bid pipeline that you are looking to bid. So I think that's what just wanted a clarification there.
- K. Venkata Ram Rao;** Yes, what you said is correct. What are the -- yes, the L1, that is status we told.
- Shravan Shah:** Okay. Okay. And in terms of the bid pipeline, so total for this year across the sectors, obviously, the NHAI, and the irrigation, the mining, whatever we are looking at to diversify, metro everything, how much value of projects now we are likely to bid by March end?
- K. Venkata Ram Rao:** Because last time only, we identified almost INR80,000 crores orders are there in the road sector that we identified around, 45 projects. So that project is still there in this. So definitely, maybe nearly around INR80,000 crores to INR90,000 crores definitely we will try to bid it.



- Shravan Shah:** Okay. Okay. Got it.
- K. Venkata Ram Rao:** That project is going to come in for bid. Definitely we will try to bid that project.
- Shravan Shah:** Got it. Got it. And last is on the consolidated cash is how much, sir?
- K. Venkata Ram Rao:** Consolidated cash is INR280 crores.
- Shravan Shah:** Okay. And then just a clarification, if you can give. In one or two projects, actually, this Oddanchatram-HAM project, we have invested INR64 crores and the equity requirement is INR80 crores, but we have already completed INR100 crores. So actually now the equity requirement is lower because presentation still shows INR80 crores?
- K. Venkata Ram Rao:** No further requirement definitely requirement is over.
- Shravan Shah:** Yes, yes. So that's the way one can look at. Wherever the -- we have completed the project and whatever the equity we have invested, that should be the value. Obviously, the original equity requirement may be on the higher side, but we have infused a lower and we have completed the project.
- K. Venkata Ram Rao:** Yes, yes. Correct. Correct.
- Shravan Shah:** Okay. Thank you.
- Moderator:** Thank you. The next question is from the line of Hetan Jain from Avendus Spark. Please proceed.
- Hetan Jain:** Thank you. I have a follow-up, ma'am. I just wanted to ask one question. sir, how much was the NHAI order -- or road ministry order inflow in FY '25? Was it similar to what FY '24 was around 8,500 kilometers?
- K. Venkata Ram Rao:** What -- order was actually from NHAI?
- Hetan Jain:** Yes, in FY '25, sir.
- K. Venkata Ram Rao:** NHAI last 2 years, there is not much order from the NHAI. Even 2023, we got that, after that '24, '25, we have not got any NHAI side also these 2 years is very muted order only.
- Hetan Jain:** I'm sorry, sir, your voice was broken. Is there any number on how many kilometers in FY '25?
- K. Venkata Ram Rao:** Actually, the number is there. We'll let you know separately.
- Hetan Jain:** Okay, sir. Thank you, sir.
- Moderator:** Thank you. The next question is from the line of Bhavin Modi from Anand Rathi. Please proceed.



- Bhavin Modi:** Yes, sir. Can you just help me with the working capital items, if you can give me the numbers on a stand-alone basis. Sir, what is the amount of debtor billed revenue? What is standing today?
- K. Venkata Ram Rao:** Debtor is INR1,228 crores.
- Bhavin Modi:** And this includes INR996 crores of unbilled revenue, right?
- K. Venkata Ram Rao:** No, no, it is excluded. It is certified bill only.
- Bhavin Modi:** Okay. And what is the creditor amount?
- K. Venkata Ram Rao:** Creditors will be INR286 crores.
- Bhavin Modi:** And mobilization advance and retention money?
- K. Venkata Ram Rao:** Retention money receivables is INR338 crores and mobilization advance received is INR48 crores, and retention payable is INR150 crores.
- Bhavin Modi:** INR150 crores.
- K. Venkata Ram Rao:** Yes.
- Bhavin Modi:** And sir, like, what is the proceeds we are expecting from the HAM monetization? And are we also going to take any mobilization advance from this mining project?
- K. Venkata Ram Rao:** Mining project, there is no mobilization advance is there because on this OB removal, they will pay actually 10% of your whatever the price you have quoted, they will pay 10% of that quantity for OB removal. So as far as HAM monetization is there, so we are discussing with that on forum, we'll let you know.
- Bhavin Modi:** Okay, sir. And just last question on mining projects, sir. Like sir, the stripping ratio, which I saw, right, it's around 7.76%. So would be impacting our EBITDA margin?
- K. Venkata Ram Rao:** That we have to see, because accordingly, rate is also there. Stripping ratio is based on the quantity, but we have quoted good rate also. So definitely...
- Bhavin Modi:** Okay. So, can you just help us, right, sir, like, what is the mining fee that we quoted?
- K. Venkata Ram Rao:** We have already disclosed INR1,365 per metric ton we have quoted.
- Bhavin Modi:** INR13.65?
- K. Venkata Ram Rao:** No, INR1,365 per ton, excluding GST that we have quoted.
- Bhavin Modi:** But this INR1,365 also includes the cost for like removing Nala and bridge that is there?



*KNR Constructions Limited
August 12, 2025*

- K. Venkata Ram Rao:** That is separate. For village development and Nala things separately, they will pay around INR90 crores in that.
- Bhavin Modi:** Okay. Thank you, sir.
- Moderator:** Thank you. The next question is from the line of Vasudev from Nuvama. Please proceed.
- Vasudev:** Yes. Thank you for the opportunity. And sir, I have joined a little late, so sorry if the question is already answered. I just want to know what is the status of our pipeline project, like how much revenue have we clocked in this quarter and our target for the full year?
- K. Venkata Ram Rao:** So the pipeline project actually this quarter, we have not done much work actually. But entire year, we are targeting around INR500 crores of the work in that pipeline. And on that, we did around INR200 crores of work, the work contractor has done, but it cannot able to bill, actually, because they have to achieve that milestone, then it is going to the bill. So, that's why this year our target is around INR500 crores on pipeline project.
- Vasudev:** Okay. Sure, sir. And sir, lastly, what is our stand-alone gross debt and cash level?
- K. Venkata Ram Rao:** INR6 crores is the gross debt stand-alone. And second question?
- Vasudev:** Cash.
- K. Venkata Ram Rao:** Cash is INR81 crores.
- Vasudev:** Okay. Sure, sir. That's it from my side. Thank you.
- K. Venkata Ram Rao:** Thank you.
- Moderator:** Thank you. Due to time constraints, that was the last question. I now hand the conference over to the management for the closing comments.
- K. Venkata Ram Rao:** Thank you all for joining us on this call. Please reach out to our Investor Relations Consultant, Strategic Growth Advisors or us directly should you have any further queries. We can now close the call. Thank you.
- K. Jalandhar Reddy:** Thank you.
- Moderator:** Thank you. On behalf of KNR Constructions Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.