



“KNR Constructions Limited
Q2 FY '26 Earnings Conference Call”
November 13, 2025

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**MANAGEMENT: MR. K. JALANDHAR REDDY – EXECUTIVE DIRECTOR –
KNR CONSTRUCTIONS LIMITED
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FINANCE AND ACCOUNTS – KNR CONSTRUCTIONS
LIMITED**



*KNR Constructions Limited
November 13, 2025*

Moderator:

Ladies and gentlemen, good day, and welcome to KNR Constructions Limited Q2 and H1 FY '26 Earnings Conference Call. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on the date of this call. These statements are not a guarantee of future performance and involve risks and uncertainties that are difficult to predict.

As a reminder, all participant lines will be in 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 call, please signal an operator by pressing star then zero on your touch tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. K. Venkata Ram Rao, General Manager, Finance and Accounts KNR Constructions Limited. Please go ahead.

K. Venkata Ram Rao:

Good afternoon. Thank you for joining us today on the call to discuss the financial results for Q2 and H1 FY '26. Along with me, I have Mr. K. Jalandhar Reddy, our Executive Director and Strategic Growth Advisor, our Investor Relations adviser.

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

In the first half of FY '26, the industry witnessed some sluggishness in the project awarding activity by both MoRTH and NHAI. While the overall pipeline remains healthy at around INR3.5 trillion, the pace of order book conversion has been relatively slow.

On execution front activities was muted during the quarter, impacted by extended monsoon condition across several parts of the country. That said, with a strong NHAI pipeline and the new projects expected to be announced by various state governments, the industry anticipates a clear pickup in both awarding and execution momentum in the second half of fiscal.

This recovery is further expected to be supported by the government continuous focus on our large-scale infrastructure development, including plan for 25 new greenfield expressway or 3,000-kilometer port connectivity highway network and nearly INR1 trillion of investment aimed at improving road links to key religious tourism destinations. Another encouraging development has been NHAI tightening of the RFP provision, which now ensures that the projects are awarded to the contractor with proven technical and financial strength.

Further, NHAI has been undertaking several initiatives to enhance India's highway infrastructure. On such initiative, it is a development of network survey vehicles across national highways. These vehicles will collect and process and analyze detailed data on the road inventory and payment condition, enabling NHAI to take timely corrective measures and ensure better upkeep of highways.

Further, NHAI has lined up big ticket asset monetization offering as part of its INR40,000 crores target for FY '26. This will help the authority recycle capital and fund new infrastructure for just boosting the sector. With those initiatives and reform gaining momentum, the overall environment for road infrastructure is clearly turning more positive, paving the way for strong growth and improved execution in the coming quarter.

Now coming to the key updates of the company. The percentage of physical progress as of September 30, 2025, for HAM projects are as under: Ramanattukara to Valanchery, approximately 99% has completed. Valanchery to Kappirikkad, approximately 98% completed. Chittor to Thatchur around 97%, Magadi to Somwarpet around 89% and Marripudi to Somvarappadu approximately 56%; and Mysore to Kushalnagara Package V approx 5%.

As of September 30, 2025, the company has already invested INR698 crores out of the INR991 crores revised equity requirement for the all the 8 HAM projects. The additional equity requirement of INR292 crores to be infused as INR175 crores and INR117 crores for FY '26 and '27, respectively. You can refer to Slide number 26 of our investor presentation for detail on each HAM project.

In May '25, KNR Ramanattukara Infra Private Limited, our wholly owned subsidiary of the KNR Construction Limited as well as to the parent company has received a show cause notice from NHAI. Subsequently, the settlement agreement was signed with NHAI on 16th October 2025 as under: The KNR Ramanattukara Infra Private Limited proposed to construct the viaduct at its own cost and to complete it by 20th February 2026, including grace period of 90 days.

And NHAI has agreed to grant extension of time without damage for the project work. The likely date of issuance of provisional completion certificate of the project, excluding the completion of this stretch, should be 18th July 2025 without damage.

KNR Ramanattukara Infra Private Limited and its promoter proposed that they would not be participating the bid of the NHAI up to 30th November 2025. Considering the above, the NHAI agreed to drop the all the penalty and debarment proceedings against KIRPL and its promoter. As on -27th October 2025, KNR Ramanattukara Infra Private Limited, the wholly owned subsidiary of the company has received a provisional certificate of completion dated 18th July 2025. And also KNR Guruvayur Infra Private Limited, the wholly owned subsidiary of the company has also received provisional certificate of completion dated 17th July, 2025.

Moving ahead, the company received letter of acceptance for 2 EPC projects in the state of Telangana. First, from the Greater Hyderabad Municipal Corporation for construction of three-lane flyover of NH65 at Kukatpally Y-junction in Hyderabad, the project cost is INR72 crores. And second one, the construction of multilevel flyover at Khajaguda junction and IIIT junction and widening a development approved for project cost of INR459 crores.

Now coming to the order book position. As of September 30, 2025, the company's total order book, including the recently won EPC project stand at INR8,748 crores. This is divided into 29% for the road projects, 18% for the irrigation project and 12% for a pipeline project and 41%

for mining project. Client-wise bifurcation is 81% of the order book is from third-party client and balance 19% is from the captive HAM project.

This third-party book percentage is split between the state government contract at 76%, whereas 3% from the central government and balance 2% from the private players. The current order book will be executed over a period of 1.5 years to 2 years, excluding mining. With the government emphasis on infrastructure development, we anticipate new orders award in the coming quarter, where we aim at order inflow of approximately INR8,000 crores to INR10,000 crores by end of FY '26 with the mix of NHAI project, irrigation projects and other state government projects.

Now let me take through the Q2 and H1 FY '26 stand-alone financial performance followed by the consolidated. The revenue for the quarter stood at INR493 crores. EBITDA for Q2 FY '26 stood at INR54 crores and EBITDA margin is 10.9%. Net profit for the quarter was INR28 crores. Now coming to H1 FY '26 highlights. The revenue for H1 FY '26 stood at INR976 crores. EBITDA for H1 FY '26 stood at INR119 crores with margin of 12.2%. Net profit for H1 FY '26 stood at INR79 crores.

Now coming to Q2 FY '26 consolidated performance of the company. The revenue for the quarter stood at INR646 crores. EBITDA for Q2 FY '26 stood at INR192 crores, which is 29.8%, and profit after tax stood at INR105 crores in Q2 FY '26.

Moving to H1 FY '26 consolidated highlights. The revenue for H1 FY '26 stood at INR1,259 crores. EBITDA for H1 FY '26 was INR375 crores with margin of 29.8%. Net profit stood at INR228 crores. Now moving on the standalone balance sheet. The company continued to maintain a strong balance sheet.

The working capital debt stood at INR144 crores. The standalone debt as on 30th September 2025 stood at INR74 crores and the consolidated debt at INR2,338 crores as compared to INR1,865 crores as of March '25. The net debt to the equity on consolidated basis as of 30th September 2025 stand at 0.49x as compared to 0.41x as of March '25.

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

Moderator:

Thank you. The first question is from the line of Shravan Shah from Dolat Capital. Please go ahead.

Shravan Shah:

Sir, two things I wanted to understand order inflow and the revenue. So first on the order inflow front, so till now, have we bidden -- obviously, NHAI can't bid right now. But any other state-level projects have we bidden where bid is yet to open? That is first.

And second, how much value of projects? And maybe state-wise or segment-wise, where we are planning to bid because now when we are looking at INR8,000 crores to INR10,000 crores further order inflow in the balance 4-5 months.

K. Jalandhar Reddy:

Yes, sir. Actually, order inflow concerns, sir. Yes, as you all know that. We are observing some silence period for NHAI up to November 30th. Then I think we'll be free to participate from December onwards. So as such, there is no important tenders, which we have selected which are not there in the November.

So they are mostly whatever -- there are a few, I think, 3, 4 tenders which are there in November also. Because of that PMO sanction issues or there is some estimate approval issues, they are getting postponed to January, what I have been told.

The number of tenders which are there in November, they may get postponed to January, which I was informed in the NHAI. So as such, I don't see any damage that can happen to us with this. But however, it is all subjected to some assumption only. So even 1 or 2 tenders if they happen also, we may have to be silent during this period. Apart from that, sir, as you all know that we are expecting January, February, March, there should be a big rally from NHAI, and we would aim some projects for our company that anyhow, it is on the progress.

Apart from that, sir, definitely, as you have rightly asked, the state highway projects are all -- we are participating in most of the tenders. Last time, we have participated in that Ujjain Johora project. But however, we are not L1. And apart from that, there are certain state highway projects in GHMC, we have participated in some tenders.

Greater Hyderabad also we have participated. So those tenders, we would yet to know the results. I think about say up to INR600 crores is we are participating in those tenders. And few other tenders also, we have participated in the MP. Yes, these are the areas.

Apart from that, sir, we are aiming certain flyover projects in Maharashtra as well Madhya Pradesh and even in Tamil Nadu -- there are certain projects coming up in Tamil Nadu. There are ADB projects also coming up with Tamil Nadu, so which we would like to focus on that. Apart from that, sir, we are also focusing on irrigation projects from various states like MP, Maharashtra and all other places. So we are trying to participate in those areas.

And apart from that, we are keenly observing the data on -- there are being certain bids, which are coming out from battery expansions to the solar energy stations. Those projects have also come up, which we are now viewing it. I think we have taken on board with one CEO, one Mr. Mohan Reddy is assisting for that area. He's well known with that subject. And apart from that, we are also trying some consultants also we have taken outside the board so that they can help us in the bids and all. So in future, going forward, some solar projects also we'll be looking at.

And as you all know, earlier, I said that the mining struggle is on. Anyhow, recently, we have placed in Odisha one bid around, I think INR1,200 crores bid we have placed in Odisha, that is not yet opened.

So like that, wherever there are opportunities and our expertise is concerned, we are trying our best to get the orders, sir. And turnovers are the things concerned, I think we'll be down coming 3 to 4 quarters because even the job inflow is less now. So by the time you win the bid and then

they ground onto the reality to get the turnover, it will take at least 3 to 4 quarters, so -- which we are expecting that to go down in this only, sir. And whatever the order book is there, which we are trying to execute.

Shravan Shah: Yes. So sir, broadly, this INR8,000 crores to INR10,000 crores that we are looking at, is it fair to say that around INR5,000 crores, we are aiming from the NHAI and that too, particularly, are we looking at only HAM?

K. Jalandhar Reddy: Yes, yes, that way. And state governments, we are aiming at least INR3,000 to INR4,000 crores and balance from NHAI or from other areas, which I spoke about.

Shravan Shah: Got it, sir. And revenue, just so I understand because of the low order book, we will be having a slow execution. But still, just wanted to understand for this year, in the second half, how much now are we looking at to execute? And let's say, if we get INR8,000 crores order inflow, so next year, we can look at how much revenue we are aiming?

K. Jalandhar Reddy: Sir, actually, the revenues, generally, in a HAM project, you know that it will take 9 months minimum to come into the turnover's position, it will take at least 9 to 10 months. So with that, I think, initially, it is earth works only, so 5%, 10% only can be expected from -- hardly 5% can be expected from the last quarters, the fourth quarter from now. So whatever the orders that are there, we will try to execute and complete by this April, May, I think will be time to close. We're expecting some bonuses also. With bonuses, we are clearing those issues.

Shravan Shah: Sir, just to still further understand in a better way. So in H1, we have done broadly around INR976-odd crores and currently INR8,700 crores and that too if we remove the unbilled revenue, so it should be around INR7,600 crores order book that we should be executing, and there also INR3,500 crores is the mining. So just trying to understand, can we expect a INR900 crores, INR1,000 crores kind of a revenue in the second half? And next year -- let's say, this year, if you do, what, INR2,000 crores, so next year, INR2,500 crores is doable? Or can it be even close to INR3,000-odd crores?

K. Jalandhar Reddy: Right now, it is quite difficult to say anything, sir. But however, I'll try to answer it this way, that INR800 crores to INR900 crores will be there in this second half of this year, that will be there. And upcoming, I think we are expecting good order inflow to come. It's not that we are very keen and the tenders are also seen on that board. Only that it is to bid and get the job in our hand. So that is only left. So we will try our best to push the case that if we get any good orders in hand, definitely. But I don't think something will happen in first half of next year. Maybe some revenue inflow will come second half of next year itself, sir.

Shravan Shah: Okay. And margin broadly will be doing the similar 13% because till now, it is lower because of the low execution, but broader level 13% to 14% margin is doable, EBITDA margin?

K. Jalandhar Reddy: Yes, yes, that whatever new which we are aiming in that way only. We'll definitely try our best in that.

- Moderator:** The next question is from the line of Parikshit Kandpal from HDFC Securities.
- Parikshit Kandpal:** Sir, my first question is on the margins. So is there any one-off during the quarter, though both employee costs looks elevated and even the raw material and other expenses look elevated, so any one-offs in this?
- K. Venkata Ram Rao:** Actually, on that basically, for this employee cost, actually this INR10 crores, that's variable pay as the director has been provided because it has been approved in our AGM and by the Board. So that is, you can say, one item this has in this quarter. And we have incurred some of the expenditures for our Ramanattukara, Kerala project also around -- due to that, actually the margin was lower actually in this quarter.
- Parikshit Kandpal:** So how much is the amount in the Karnataka project?
- K. Venkata Ram Rao:** Karnataka, what Karnataka?
- Parikshit Kandpal:** The project which you have flyover project, sorry, which NHAI has -- the road project, which NHAI has asked you to...
- K. Jalandhar Reddy:** Mysore-Kushalnagara project, sir, you're asking about?
- Parikshit Kandpal:** Yes. Yes. So how much was the expenditure? You said there's some expenditure provided on that, right, in this quarter?
- K. Venkata Ram Rao:** No, this is Kerala one actually. I think you're asking Kerala one, yes, where that incidence has happened. You're talking about that only, no?
- Parikshit Kandpal:** Yes, yes. So how much have we provided in this quarter on that project?
- K. Venkata Ram Rao:** Around INR10 crores, actually, we have provided towards expenditures for that project in this quarter.
- Parikshit Kandpal:** Okay. Just on this question on the variable pay to the directors. So I mean, given the performance that we are seeing right now, wasn't -- I know that's AGM approved, but was it qualified to be provided in 2Q? Or was there a possibility that it could have been deferred, given the performance, the company has gone down because of the execution and other issues and especially this incident which happened?
- K. Venkata Ram Rao:** Definitely because it has been approved in this Board meeting, so that's why we have provided thing in this quarter only. So we cannot defer it, or postpone it. That one thing is there. And regarding definitely, these promoters, they are very focused and they are well working and working hard towards that thing, based on that actually, director has approved that.
- Parikshit Kandpal:** My other question is to Reddy, sir. So sir, on this last 1.5 years, 2 years have been very weak kind of inflows. So is it right to say that maybe during this period, this is the worst kind of inflow of the prospect pipeline, which we have seen? I mean that has not converted into orders. Even

like if I look at states, so I'm not seeing any major ordering from the states, NHAI has significantly slowed down.

So is it right to assume maybe this is the worst of the period where none of the states are doing any awards or the pipeline doesn't look very encouraging on the state side, be it Karnataka, be it Tamil Nadu, UP, Maharashtra.

So we have not seen large orders coming out and even on NHAI, any comment on NHAI ordering? The changes which have happened and now all the projects are going for approval. I mean, NHAI kind of power have been curtailed and the bigger ordering is now going towards Cabinet Committee for approval. So when do we see the light at the end of the tunnel on the ordering side, both on the state side and NHAI?

K. Jalandhar Reddy:

According to my inquiry, yes, sir, this is the right word, which you used, this is the worst time ever faced by us, such a situation. And the main thing, what I read out is that state governments are little, little now coming forward to get on to the orders. As of now, there are very little orders, which they have announced. But going forward, I think states will be also coming out.

But the state government, there is a risk with the payments that is to be noted always. And there are days at that time, we had very wide choice. Sir, we were choosing our clients and do the work. But this time, such situations are not there. So wherever there is a job, we are just going and just bidding on it and trying our best to push the case.

But here, a little bit cautious, we have to be. This time, one thing is that NHAI is going to come up in a bigger scale projects. What I'm hearing now, I think there are certain bids, which have been grouped to get into bigger size. So there, we can have some light, that we can get some projects because sensible bidding, all INR1,000 crores below and INR1,500 crores below, there, very huge crowd, which is coming down and because of the change in norms in the bid. So NHAI seems to be a little bit okay.

But I think initial period of the jobs being coming out, that time, some aggression could be there. But going forward, a little bit aggression can come down because the aggressive bidders will be a little bit losing on the bid capacity front. So that is showing some light, sir. So definitely, that's where we are a little bit confident about getting the jobs in hand.

Moderator:

The next question is from the line of Bharani from Avendus Spark.

Bharani:

Great. So my first question is on some macro details. The ministry used to publish on a monthly basis, they're awarding, say, that they have some in kilometers. So right now, it's not there. So just your sense of how much has been awarded in kilometer-wise so far in the first 8 months by NHAI? And what is the target set by NHAI for the full year?

K. Venkata Ram Rao:

Full year target is around 3,000 kilometers that we got to know. But as of now, how much awarding has come, that we have to just check it.

K. Jalandhar Reddy: And sir, the main thing is that NHAI is now we have seen a little bit slowdown only as of now because the bids are there. I think there have been enormous bids you can see on the website, but they are getting postponed. What we are hearing that it could start from January onwards up to March, they want to call out the tenders and that would be the phase, which we are also gearing up.

Bharani: Understood. So like if I were to look at what has happened, like we are having around 29% of our order book in roads. This is the lowest in the last 10 years. And the current order book size, we are lower than what we achieved in FY '21, around INR11,000 crores of order book. So essentially, this is a down cycle. And I can distinctly compare this with what happened before 2014. But then when the new government took over, focus on EPC was back and a lot of new ordering happened that revived the cycle or that upcycle came.

And this time around, this downcycle will turn into an upcycle for companies like KNR only if, again, competition is low and if good EPC orders come with no challenges on land acquisitions and all. But if I were to think whether this will happen, competition is still going to be high, and the land acquisition is the prime reason why tenders or bids are getting postponed, and NHAI has much lesser power in terms of awarding and approving larger projects.

So even if it's a downcycle, my question is, whether there is an upcycle at all in the next few years? I mean, it's fine from January, things can improve because nothing has happened in a significant way. But whether this will be a sustainable large upcycle for the sector in your view, or are we going to have only other segments like irrigation or mining or something else becoming mainstay rather than roads going forward?

K. Jalandhar Reddy: Sir, actually, it is a little bit quite difficult to say anything at this point of time. But going forward, the combination could improve in other sectors also. Because highways and all, the only greenfield highways, which are now there on the NHAI side. And they are also planning TOTs BOT Toll projects and HAM annuity model projects. So we have sorted like this that, okay, if there is any bigger player, like the developer thing like Adani or any kind of bigger players, we are also tying up with them for EPCs to do.

We are under discussion with IRB for some projects to bid along with them. And we are under dialogue with Cube also to go on certain projects with them. So it's not only we are completely depending on the bid, what we get from NHAI. We are also depending on some other players who are prominent in paying. So there also, we are focusing. And it improves our confidence that we can get some jobs in hand.

Bharani: Okay, sir. Put it another way, have you gone through each and every projects of this INR3.5 trillion opportunity that is there with NHAI now? And have you assessed what proportion of it has 90% lands because that is what is kind of delaying. And according to you, what proportion of that INR3.5 trillion has 90%land ?

K. Jalandhar Reddy: Actually, the land acquisition plan or whatever that is, we can procure from NHAI only. We generally go to NHAI and take the position whenever there is a bid or the bid is there. On a

sector selected bids, we'll be collecting the information from NHAI office itself, headquarters Delhi. And PD offices and RO offices are also helpful because we are regular contractors who are working with NHAI, so they always share the information with us. And in such cases, we'll be confident that this tender can come out. Like that, also, we are gauging the things.

- Bharani:** So of this INR3.5 trillion, how much percentage you are confident about, sir?
- K. Jalandhar Reddy:** Right now, I haven't calculated, sir. If you want, I can come back on the e-mail after I do some homework.
- Moderator:** The next question is from the line of Vaibhav Shah from JM Financial.
- Vaibhav Shah:** Sir, what is the status of the mining project? When do we expect to start the execution? And in FY '27, what can be the expected revenue from the project?
- K. Jalandhar Reddy:** Sir actually, the land acquisition is on sir for that. Especially, there are some villages where some illegal occupants are there. That is being under discussion with the DC. So I think within the development period, we are quite confident to solve all the issues and go on to execution. Plus or minus 1-2 months will be there, sir, on that, side.
- But I think major move that is happening on the thing that Gram Sabhas are being conducted. And proactively, the revenue department is also doing the job. So a little bit now the confidence is building up that this can be moved, according to the schedule I think.
- Vaibhav Shah:** So can I assume it will be the third quarter of FY '27?
- K. Jalandhar Reddy:** Since already 1 quarter is over for that, after 3 quarters or 4 quarters, we'll be able to do that, sir, from now.
- Vaibhav Shah:** So you'll take almost a year from here?
- K. Jalandhar Reddy:** Yes, it's not a year, but it is 9 to 10 months.
- Vaibhav Shah:** Okay. So secondly, on the pipeline order, so last time, we indicated that we should reach that revenue recognition threshold and there could be a booking of roughly INR100 crores, INR200 crores in Q3. So where are we on that? And what could be the annual revenue from the pipeline orders?
- K. Venkata Ram Rao:** Sir, this pipeline order almost around INR150 crores to INR200 crores, sir,. we have done the work, but the billing has to be done because we have to achieve the milestone. So we are expecting that this quarter around INR150 crores to INR200 crores certification will be happen actually because this work we have given actually back to back to our contracts. So in this quarter, , we are expecting that around INR150 crores to INR200 crores certification is going to happen.
- Vaibhav Shah:** So for FY '26, can it be roughly INR500 crores revenue from the project?



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K. Venkata Ram Rao: In a total cannot, means this will be there and next quarter you can consider around INR300 crores to INR350 crores.

Vaibhav Shah: For the entire year?

K. Venkata Ram Rao: For the entire year, yes.

Vaibhav Shah: Okay. And sir, any update on the MSRDC order with Patel where we were L1 Bhandara-Gadchiroli?

K. Jalandhar Reddy: Not yet, sir. We have been asked to submit the bank guarantee extension, which we have submitted and just waiting. And they said, somewhere in December, second, third week, the land acquisition gets over and then they'll go on to that. But however, it is all subjected to the approvals from the CMO.

Vaibhav Shah: But any possibility of the order getting canceled or rebid?

K. Jalandhar Reddy: Sir, as of now it is not there. Any negative news is not there as of now. But certain projects, they have canceled. But after passing out so much time, will they now cancel? Because going forward, they have done a lot of land acquisition and bidders were also waiting more than 1 year.

Vaibhav Shah: Maybe 1.5 year.

K. Jalandhar Reddy: Yes, correct, you are right. So at this stage, I don't think they will drop out. But that CMO is viewing it, actually.

Vaibhav Shah: Sir, any idea what would be the current land acquisition status for the project of Bhandara-Gadchiroli

K. Jalandhar Reddy: Sir, I think the award stage has come for the 60% of the land, sir. On balance, they said by November end, they will be trying to distribute for 60% of the land, balance in December they will do.

Vaibhav Shah: As of now or during the award time?

K. Jalandhar Reddy: No, no. To award only, they take -- yes, 60% of the land, they are going to award to the landowners by this November end what they said. And balance, they will do it in December, so that if they have comfortable position like getting 80% to 70% land in hand, they will go for LOA.

Vaibhav Shah: So LOA may come in Q4.

K. Jalandhar Reddy: Yes, sir.

Vaibhav Shah: Okay.. And sir, secondly, on the irrigation side, out of the order book, what could be the unbilled portion? So what would be the actual revenue potential from the irrigation backlog?



- Vaibhav Shah:** The order book is INR1,540 crores. Out of that what will be the unbilled...
- K. Venkata Ram Rao:** Out of that, unbilled is around INR720 crores. Balance, you can say, around INR700 crores is there that is potential to build actually.
- Vaibhav Shah:** Out of INR1,540 crores, around INR820 crores would come out to be the turnover...
- K. Venkata Ram Rao:** Yes, yes. In the turnover, yes.
- Vaibhav Shah:** Okay. Okay. And sir, lastly, when do we expect to complete this execution of irrigation projects? It should be complete by next year? And have we started the execution on the other two orders, which we had won, the smaller ones?
- K. Venkata Ram Rao:** Definitely, , most of the work is going to completed on irrigation of this year only. Maybe some portion of work for package III is going to be spill in the next year. And as far as these 2 projects are there, which is a small one, that also we have given for the subcontractor. There, land acquisition issues are there. That's why this project has not been taken off as of now.
- Moderator:** The next question is from the line of Nitin Ranjit from Frontline Capital.
- Nitin Ranjit:** Looking at the order book version. And apparently, there have been some increase in receivables also, which pertains to the irrigation project to Andhra and Telangana. So when do you expect those things to resolve? And apparently, based on the from whatever I have read from the footnotes of the published financials, it's being said that we are still continuing execution even if the bills are not being cleared. So what's the position on that? And are we going to continue executing these irrigation projects in Telangana? So that's pretty much my first question.
- K. Venkata Ram Rao:** Sir, out of INR1,090 crores for debtors, this irrigation receivables are around INR758 crores and HAM receivables is INR258 crores. So this irrigation receivables unbilled is around INR720 crores. So this is a work what we did, and it has to be certified by the department. So as of our status is that, still because we have to complete the project. So that is our first priority. So almost for Package 4, , entire work has been completed almost. And for Package 3, around INR300 crores work is there. So that will definitely be going to spill in the next year. Except INR300 crores, other works mostly we'll complete in this year.
- For package 3, , we have received payment actually post September around INR74 crores, so that's why for Package 3, there is no issue. Only delays are there. But definitely, for payment wise, there is no issue. For Package 4, definitely, we are trying in talking to the government officials to get the release, and we are getting assurance from them. So they will release the payment. We are just waiting for that.
- Nitin Ranjit:** So basically, you're expecting significant results maybe in the next 3 to 6 months? Maybe within the next 2 quarters, right?
- K. Jalandhar Reddy:** Yes, sir., that's got we got the promise from the concerned minister and Finance Minister also. We have been doing repeated meetings with them. But the loan part, which neither they are

clearing the loan part or nor they're -- actually, the loan is already closed. If they renew the loan part and then go for it, then things will be easy.

Otherwise, if they allocate from the state funds, they will be paying in installments, not at one go they can pay. That's what the expectation is there, sir. But as minister says this time we met him, I think 3rd or 4th we met him I think. He said within 1 month the bill will be give. Every time he is saying that, but things are not happening. That is the major setback, which we are seeing there.

But however sir, as you asked, we were working on that project, not on a full-fledged basis, but whatever the staff is there, whatever the people are there, we are trying to do some job because major of the pumps and everything, motor, pumps, rotors, everything has come, only assembly part and that winding part is going on. So that assembling, we have to anyhow do it because unless we do it, the material will be here and there. Then, after one year you go, then the things will not be in order. So we are trying to keep the things in control and assemble and keep it ready.

Otherwise, all of a sudden they pay, then we also land into problem because that material, which we got, we have been tested on the day 1 we have received, then if there are some repairs and all, we'll be getting to know after 1 year, then things will not be good. And we also feel that people who are there, so we are getting the work done and doing the thing.

Nitin Ranjit: So the INR750 crores of unbilled revenue hasn't got recognized and still forms part of your order book, right?

K. Jalandhar Reddy: Yes, actually, there is some RO, that means revise estimate order, , there is some technical committee has approved yesterday or day before yesterday. So with that, I think it will go to the government and then that gets approved.

Nitin Ranjit: Got it. And coming to the HAM project, I mean, the Kushalnagara project, the Package 5, so on that, have we achieved like 90% land acquisition for that project? And have you got the appointment taken? When do you actually expect revenue recognition? When I say, the initial 40% you have from the government share to be actually get recognized?

K. Jalandhar Reddy: Yes, sir, Kushalnagara, 4 and 5 is with us. But the Package 5, we have issues in that, that they wanted some service roads. This is a greenfield highway for which the service roads are not provided. So locals have demanded for service road, and the land acquisition is over for at least 88%, 85%. But they have stopped in 8 kilometers, 8.5 kilometers they stopped for want of that service roads. So except that portion, all of the portions are under progress, sir.

Nitin Ranjit: Okay. Got it. So basically, this bid wouldn't go into rebid. This project could be filled...

K. Jalandhar Reddy: No, no, no. It is already commencing, sir. The project is commenced, so there is no chance of going for rebidding.



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- Nitin Ranjit:** And if I could just squeeze in one more question regarding the mining project. So when do you expect revenue from the mining projects to come in? And what sort of margins are we looking at with respect to the mining project?
- K. Jalandhar Reddy:** 9 to 12 months, sir.
- Nitin Ranjit:** 9 to 12 months. And so what is this development period? So I think the project value...
- K. Jalandhar Reddy:** 12 months development period, sir.
- Nitin Ranjit:** So the project value is something like, INR3,500 crores. So in this initial development phase, how much order value would you -- can one ascribe to the initial phase?
- K. Jalandhar Reddy:** Do you have the program with you, Venkat?
- K. Venkata Ram Rao:** I will check. But this is 1 year development period. On that development period, we have to do the land acquisition. We have to get all clearances, like forest. And we have to do this nala diversion and some village development work is there. So that is approximately around INR90 crores. So in next 1 year, we may do maximum work of around INR90 crores. After that, operation period will start, that is of 5 years. And operation period also because initially, it is around INR3,500 crores into 5, that is INR700 crores, so initially, it will be around INR300 crores to INR400 crores. And after that, it will go to increase and next 5 years, it will come to the INR3,500 crores work.
- Nitin Ranjit:** All the best. Hopefully, the next year would be better than this one.
- K. Venkata Ram Rao:** Thank you, sir.
- Moderator:** The next question is from the line of Vasudev from Nuvama Wealth Management Limited.
- Vasudev:** Sir, you are looking for some monetization of four of our assets. So just wanted to know what's the status of that?
- K. Venkata Ram Rao:** The monetization is very advanced stage. So we are just -- SPA draft has been circulated ourselves. So we expect that by this month end, we should be able to close the deal.
- Vasudev:** Okay. And sir, just a few bookkeeping questions. What is the capex we did in Q2? And how much are we planning for the full year?
- K. Venkata Ram Rao::** Till 6 months, we did capex of only INR3 crores actually. And this year, we are not expecting we are going to do much capex because the other projects has to start there. So maybe you can say maximum around INR30 crores to INR40 crores will be capex there for balance 6 months.
- Vasudev:** Okay. And sir, can you give the revenue split for the second quarter across the segment?
- K. Venkata Ram Rao:** Segmental revenue split is there. For HAM, it is around 29%. And for EPC roadwork, it's around 34%. And for irrigation, it is around 36% and around 1% is back to back.

- Vasudev:** Okay. And lastly, sir, what is the outstanding receivables from the Telangana government?
- K. Venkata Ram Rao:** Receivables and including unbilled is around INR1,350 crores out there as of now.
- Moderator:** The next question is from the line of Abhishek Jain, an individual investor.
- Abhishek Jain:** My first question is on the receivables front. When do we see getting that from the Karnataka government? Or it might lead to a situation where we'll have to write it off? Because it's been a couple of quarters that we haven't been able to receive it.
- K. Venkata Ram Rao:** Sir, that's what I'm telling. Out of INR1,900 crores of receivables, irrigation receivables are around INR758 crores. On this kaleshwaram package 4, which is a big one, that is around INR677 crores receivables from Package 4. And from Package 3, , receivables were INR74 crores, which was received post September 2025.
- So right now, as we already informed that management is discussing at the highest level with the government authority and all the things. And we are following with them, and we expect that we should receive the payment.
- Abhishek Jain:** So that is amounting to INR670 crores, right? That is for work we have already done.
- K. Venkata Ram Rao:** INR670 crores package 4, that is the major one, which is certified and not yet paid.
- Abhishek Jain:** Okay. And you pointed out in the recent AGM, a pay package was approved by the AGM. What was that quantum?
- K. Venkata Ram Rao:** That is going to be applicable from next year. It is from April '26 onwards, not this year. That is for the next year.
- Abhishek Jain:** And how much that would be?
- K. Venkata Ram Rao:** It is -- that, I will check and offline, I will tell you actually. It is there in the resolution. I have to just see that and tell you.
- Abhishek Jain:** Okay. There was another news circulating by an influencer. I don't know, I'm not very sure as to how much of that is true. But that said, that Tamil Nadu government recently would be awarding of INR4,000 crores contract to KNR Constructions. So just wanted to know if this is true or if there is something you can comment on this?
- K. Jalandhar Reddy:** Sir, actually, it is an open bidding which happens, sir, whoever comes on the corner and they would bid it. It's all some local news channels. We have completed 1 project in that Coimbatore. So maybe subsequently if there are tenders, we are also aiming. Some fake news, which is getting roamed around. It is not in the mainstream media. It is all in the thing. Even tomorrow if I win, they will blame me that I have not taken it like that, so kind of that. Things are not like that, sir. Is the open global bidding. Anybody can come from any corner and bid it actually.



Abhishek Jain: Correct. But are there any approvals pending for any of the tenders we have applied for in Tamil Nadu, and if you can share the quantum of that bidding?

K. Jalandhar Reddy: No, sir, not yet.

Abhishek Jain: Nothing applied in Tamil Nadu?

K. Jalandhar Reddy: Nothing applied, sir.

K. Venkata Ram Rao: Nothing. As of now, nothing.

Abhishek Jain: Sure, sir. Just last question. The last 1 or 2 years have been quite tough for the company on the financials and even the sector as such. When do you see the company getting back where it was when it was at its peak?

K. Jalandhar Reddy: So if our assumptions goes well, and our efforts could take a shape, definitely by 3 to 4 quarters, we'll be on track. Maybe 4 quarters, I expect, sir, going back to that.

Moderator: The next follow-up question is from the line of Shravan Shah from Dolat Capital.

Shravan Shah: Sir, initially, we said we are expecting bonuses in some of the projects. So can you help us how much and in which project and when we can be getting or booking in the P&L?

K. Venkata Ram Rao: Actually, recently, we got bonus in one project, that is Cheyyur-Vandavasi, that is already accounted. But other 3 projects which are going on that we are expect not right now, it will take some time. Not right now.

Shravan Shah: Okay. So in second half, not looking at any bonus to be booked in the P&L.

K. Venkata Ram Rao: Yes, nothing, nothing.

Shravan Shah: Okay. And this Ramanattukara project where we said the INR10 crores, that provision we have done in the second quarter, so how much more that we have to do, I think, INR40 crores, INR50 crores that total amount is there. So how much and will it be in the second third and fourth quarter we will be booking?

K. Venkata Ram Rao: Balance one, we'll book in the third and fourth quarter because anyway we have to execute that work in our own cost. And we have to complete this by February '26. So definitely, in third, fourth quarter, the balance one we have to book.

Shravan Shah: Okay. Okay. Got it. And sir, this put together, both these Mysore two packages, so in second half, how much we are looking at in terms of the revenue and next year, how much one can look at? So I think both put together is INR1,200-odd crores currently in terms of order book. So how much revenue we can look at in the second half and FY '27?



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- K. Venkata Ram Rao:** In the second half , we are looking around INR300 crores, you can say revenue in the second half for these 2 project out of INR1,200 crores. And the next year will be somewhere around INR600 crores to INR700 crores.
- Shravan Shah:** Got it. And just to clarify, in irrigation, we said that out of INR820-odd crores, excluding the unbilled, except the INR300 crores, the balance around INR500-odd crores, we will be booking as a revenue in second half?
- So total order book is INR1,500 crores plus,. So out of that, if I remove the unbilled, so then the number is around INR820-odd crores that we can book in revenue. So out of that, in the second half, how much we will be booking and balance, obviously, will go into the FY '27?
- K. Venkata Ram Rao:** You can say around INR300 crores to INR350 crores actually, we are going to book in the second half and balance will be next year. Because in some of the projects, some of the miscellaneous items will be there, so that will carry. So not entire INR500 crores, maybe around INR350 crores to INR400 crores, which we are going to book in second half of this year.
- Shravan Shah:** Okay. And the pipeline, you said that in the second half, we will be doing INR300 crores, INR350-odd crores and the balance maybe around INR600 crores to INR700 crores, that entirely most likely will be over in FY '27, that project pipeline?
- K. Venkata Ram Rao:** Yes, yes. It is like that because this year, we will do around some INR300 crores to INR350 crores and balance around INR600 crores in the next year.
- Moderator:** Thank you. Ladies and gentlemen, due to time constraint, we have reached to the end of the question-and-answer session. 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 query. We can now close the call. Thank you.
- K. Jalandhar Reddy:** Thank you, all.
- Moderator:** On behalf of KNR Constructions Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.