KNR Constructions Limited.

Date: 11th February 2026 Ref: KNRCL/SD/2026/1011&1012

To, The Manager BSE Limited, P J Towers, Dalal Street, Fort, Mumbai – 400001 Scrip code: 532942	To, The Manager, National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400051. Scrip Code: KNRCON

Dear Sir/Madam,

Sub: Transcript of Earnings call held on 06th February 2026
Ref: Regulation 30 of SEBI (LODR) Regulations, 2015

We refer to the above captioned subject, we herewith submit transcript of earnings call for Q3FY26 held on 06th February 2026.

This is for the information and records of the Exchange, please

Thanking you,
Yours truly
For **KNR Constructions Limited**

HARITHA VARANASI
Digitally signed by HARITHA VARANASI
Date: 2026.02.11 11:23:02 +05'30'

Haritha Varanasi
Company Secretary

Regd.Office : 'KNR House',3rd & 4th Floor, Plot No.114,Phase-I,Kavuri Hills,
Hyderabad -500 033 Phone.:+91-40-40268759 ,40268761/ 62, Fax : 040- 40268760 ,
E-mail : info@knrcl.com, Web : www.knrcl.com
CIN: L74210TG1995PLC130199

"KNR Constructions Limited Q3 and 9 Months FY '26 Earnings Conference Call"

February 06, 2026

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchanges on 06th February 2026 will prevail.

MANAGEMENT: MR. K. JALANDHAR REDDY – EXECUTIVE DIRECTOR, KNR CONSTRUCTIONS LIMITED

MR. VENKATA RAM RAO – GENERAL MANAGER, FINANCE AND ACCOUNTS, KNR CONSTRUCTIONS LIMITED

Moderator: Ladies and gentlemen, good day and welcome to KNR Constructions Limited Q3 & 9 Months 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 the listen only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing '*', then '0' on your touchtone phone. Please note that this conference is being recorded.

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

Venkata Ram Rao: Good afternoon. Thank you for joining us today on the call to discuss the Financial Results for Q3 & 9 Months FY '26. Along with me, I have Mr. K. Jalandhar Reddy - our Executive Director and Strategic Growth Advisors, our Investor Relations Advisor.

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

On the past few quarters, the infrastructure sector has operated in challenging environment, testing execution capability and balance sheet resilience across the industry.

The Highway sector in particular experienced a slowdown, primarily due to moderation in the project awarding by the ministry. This led to a lower construction and execution activity during the financial year. Reflecting this trend, road project award during 9 months of FY '26 remained muted, with the Ministry of Road Transport and Highways and NHAI awarding 1448 km and 712 km of the project respectively. Looking ahead, the outlook for project award is improving. NHAI has already invited bid for projects aggregating to 1.5 trillion. Against this backdrop, awarding activity is expected to gather meaningful momentum in the future quarters supported by the robust order pipeline with a strong bias towards HAM projects followed by BOT and EPC opportunities.

Despite the near term pressures, the outlook for sector remains constructive supported by renewed policy thrust. The union budget provided a strong impetus to the infrastructure sector, with capital expenditure increased by 9% to INR 12.2 lakhs crores for FY '26-27, reinforcing the government's continuing emphasis on infrastructure-led growth under the future-ready Bharat Initiative. Policy measures are meaningfully focused on driving balanced regional development with great emphasis on Tier-2 and Tier-3 cities. The development of high-speed rail corridors to promote sustainable, mobility and the Purvodaya initiative aimed at strengthening industrial connectivity along the East Coast.

Complementing these measures, the introduction of the new infrastructure risk guarantee fund, providing partial credit guarantees to lenders aimed to de-risk infrastructure development during the construction and early operation phase, thereby encouraging greater private sector participation. At the same time, sector fundamentals continue to strengthen. Fast-Tag based toll collection has maintained healthy momentum, with volume rise by around 17% year-on-year during October-November quarter, and value collection increased by approximately 12.7% year-on-year basis. This sustained growth enhanced the cash flow of operational road assets and accelerated asset monetization by the Ministry, which also creates value-unlocking opportunities for companies with mature toll profitability. As a result, asset monetization has emerged as a key funding lever for NHAI, enabling to generate resources beyond budgetary allocations. Monetization proceeds of approximately INR 35,000-INR 40,000 crores are expected in FY '26 and are intended to support new infrastructure investment while maintaining financial discipline.

To sum up, while the sector has navigated a phase of moderation and near-term challenges, the underlying fundamentals remain strong. With improving awarding momentum, supportive budgetary allocation, robust policy framework and growing monetization avenues, the road infrastructure sector is well positioned to enter its next phase of sustainable growth.

Now, key updates of the company:

The percentage of physical progress as of December 31, 2025 for the HAM project is as follows.

- Ramanattukara to Valanchery, around 99.4%;
- Valanchery to Kappirikkad, 98.3%;
- Chittor to Thatchur, around 97.4%;
- Magadi to Somwarpet, around 90.1%;
- Marripudi to Somvarappadu, approximately 64.9% and
- Mysore to Kushalnagara package V 10% and
- Mysore to Kushalnagara package IV approximately 6%.

As of December 31, 2025, the company has already invested INR 727 crores out of INR 962 crores revised equity infusion required for all the HAM projects. The additional equity requirement of INR 235 crores to be infused as INR 87 in FY '26 and around INR 148 in FY '27. For this, you can refer to slide number 23 of our investment presentation.

On December 24, 2025, the company executed Share Purchase Agreement with Indus Infra Trust for the proposed sale of its 100% shareholding, along with the subordinate debt in the following special purpose vehicles, KNR Palani Infrastructure Private Limited, KNR Ramgiri, KNR Guruvayur and KNR Ramanattukara. As part of this transaction, the company will invest around INR 566.8 crores in 4 SPVs in the form of equity and subordinate debt, against which the company is expected to receive a total proceed of INR 1,543 crores, which includes INR 1,398 crores towards sale consideration and around INR 145 crores towards the estimated cash surplus, which will be up streamed to the company in an agreed manner.

In November 2025, the company received the completion certificate for the Avinashi Road project in the Tamil Nadu as 8th October 2025. The company also received a letter of acceptance from the Musi Riverfront Development Corporation Limited for the construction of an iconic bridge across the Mir Alam Tank connecting Bengaluru National Highway at Shastripuram to Chintalmet under the EPC Mode. The project has a contract value of INR 319 crores and a construction period of 24 months.

Lastly, the CRISIL reviewed the company's long-term bank rating and reaffirmed them as a CRISIL AA with Stable outlook while removing the rating from the Rating Watch with Developing Implications. The short-term rating was also reaffirmed as CRISIL A1+ and also removed from Rating Watch with Developing Implications.

Now, coming to the order book position:

As of December 31, 2025, the company's total order book including the recently won EPC project stand at INR 8,849 crores. This is divided into 29% for the Roads project, 19% for Irrigation project, 12% for Pipeline project and 40% for Mining project. Client-wise bifurcation is 84% of the order books from the third party and balance 16% is from the Captive HAM project. The third-party order book percentage is split between state government around 80% and central government 2% and 2% from the other private players. The current order book will be executed over a period of around 2 years, excluding mining project. With the government emphasis on infrastructure development, we anticipate new order award in the coming quarter. We are hereby aiming at order inflow of approximately INR 10,000-INR 12,000 crores by end of September 2027 with a mix of projects like NHAI, Irrigation and other state government projects.

Now, moving to the Q3 and 9-months FY '26 standalone financial performance:

The revenue for the quarter stood at INR 585 crores and EBITDA for Q3 FY '26 stood at INR 30 crores and EBITDA margin is 5.2%. Net profit for the quarter was INR 18 crores.

For 9 months FY '26 highlights,

The revenue for 9 months FY '26 stood at INR 1,561 crores, EBITDA stood at INR 150 crores and margin at 9.6%. Net profit for 9 months FY '26 stood at INR 98 crores.

Now, coming to Q3 and 9 months FY '26 consolidated performance

The revenue for the quarter stood at INR 743 crores and EBITDA for Q3 FY '26 stood at INR 167 crores and EBITDA margin is 22.4%. The net profit for the quarter was INR 104 crores.

Now, moving on 9 months FY '26 highlights, the revenue for 9 months FY '26 stood at INR 2,002 crores, EBITDA for 9 months FY '26 stood at INR 542 crores with EBITDA margin of 27.1%. Net profit for 9 months FY '26 stood at INR 332 crores.

Now, moving on to the standalone balance sheet:

The company continues to remain in strong balance sheet. The working capital days stood at 82 days compared to 93 days as of March 25. The consolidated debt as of 31st December 2025 stood at INR 2,443 crores as compared to INR 1,847 crores as of 31st March 2025. The net debt to equity on consolidated basis as of 31st December 2025 stands at INR 0.5 times as compared to INR 0.41 times as of 31st March 2025.

With this, we can open the floor for questions and answers.

Moderator: Thank you very much. We will now begin with the question-and-answer session. The first question is from the line of Shravan Shah from Dolat Capital. Please go ahead.

Shravan Shah: Hi, sir. Thank you. Sir, just trying to understand on the revenue and order inflow front. So, if you can elaborate on that front. So, I will try to break it in the past. So, first, in the balance of fourth quarter, how much execution or the revenue we are looking at out of this INR 8,850 crores order book? And out of this in FY '27, how much revenue are we looking at? That is first. Then on the order inflow, I will come?

K Jalandhar Reddy: Yes. Actually, out of backlog concerned, what we have very little. In fact, certain portion is from mining. So, mining to start with, I think we are able to start that in coming second quarter next financial year or third quarter. Practically, it is possible to make it in third quarter as the forest clearance and the Banhardih Village Gram Sabha could not be concluded. So, this is going to further take another 8-10 months' time to start with. So, this is the situation. So, what we are left with is only around 4,000 plus which need to be executed. And that needs to be executed in upcoming, say, 2 years' time, whatever we have. But the project in the Bangalore-Vijayawada Highway, that package could be closed by April, we are expecting that to be taken with the PCOD. So, those things will be closed. So, ongoing project will go on for this year. And I think you can take around, say, INR 2,000 crores could be executed this year, this financial year, I mean to say. So, for that, sir, actually, hopefully, there is a good robust expectation to get from NHAI as well we are even gearing up for upcoming railway bids as well as high-speed rail also, we have already taken one CFO for High-Speed Rail and Railway. So, that is being now taken care. So, we are extensively looking for that also. So, again, we are also participating in State Highway tenders for our project also, we are trying to participate as well. We are also participating in that BESS tenders also we are participating. Apart from that, Irrigation, so highly we are doing again. There are likely projects to come up from irrigation in Rajasthan as well in

Madhya Pradesh and also from Odisha state. So, these are now on the boat. So, we will be participating in those tenders. So, definitely, sir, we are trying our best to target the tenders and get some order books for the company because it is very need of the hour. And we all understand the importance of the thing and we even mind our investors concerned about this.

Shravan Shah: Yes. Sir, further just trying to understand. So, let us break it apart. So, till now, how much orders that we have bided and also if you can specify NHAI or state level and the segment wise where bid is yet to open? That is one. Second, how much more are we planning to bid before March? Although I understand that Venkata sir has said that we are looking at INR 10,000-INR 12,000 crores by September. But just trying to break it apart and also let us say, how much we are looking at to get before March. And if so, in terms of converting into the revenue in FY '27, how much can be converted out of this into the revenue in FY '27?

K Jalandhar Reddy: Sir, you have asked about how many bids we have placed right now?

Shravan Shah: Yes.

K Jalandhar Reddy: First, I would like to answer this. There are the projects in, Orissa, we have participated in some HAM projects. I think it ended 3 days ago. And apart from that, we have also participated in certain tenders. I think in Karnataka is a very small bid. And apart from that, we are now, I think nothing now other than that. Maharashtra bid is also there, we have placed in Maharashtra. But they are smaller, INR 600-INR 700 crores projects. So, almost about INR 7,000-INR 8,000 crores we have quoted as of now, sir. Waiting for those results to come down. Apart from that, there is Chennai bid, which we have quoted and we are waiting for that result to come out. As it is a court case and all that, it is under which court directions are needed for that. Apart from that, sir, we have nothing now. But we will be placing bids in mining. In Jharkhand only, INR 5,000 crores project is there which we are now trying to participate in that bid. Apart from that, there is almost 63 projects are there before March. I can see the list also scaling from INR 3,000 to INR 500 also there. Different project sizes are there. Even INR 4,000 crores is also there. And there is a lot of work like that, sir. There are bigger sized projects also. So, looking forward, I think, even if you are able to succeed in getting 2 bids out of NHAI also will be having enough order in hand. And as you all know, the time to take any project to come in, it depends on, again, depending on the land situation in the project itself. And minimum time from bid stage to financial closure stage is also that as you know 7-8 months is slightly restrained stage. That is a mandatory time that can be before financial closure. So, these are all the hurdles which we have, sir, in this. Apart from that, there are railways also, 26 bids are there, which we are trying to participate. Metro, only 1 bid is there, that also will be participating, sir. And solar projects, which we are trying, sir. I think the bids are yet to come from Karnataka as well from Maharashtra also, which we made an initial level inquiry from the department. So, there are bids going to come up in March. So, the bids may happen in April or May, April, I think. So, this is the situation, sir. Irrigation, there are 11 bids, which we are targeting, sir are there.

Shravan Shah: Sir, this irrigation, 11 bids in terms of the value would be how much and Railway 26 bids that you said that the value would be how much?

K Jalandhar Reddy: Railway 26 bids, sir, I will give you.

Shravan Shah: No issues, sir. Sir, broadly in terms of INR 7,000-INR 8,000 crores bid, which we have already placed, where outcome is yet to come. And if I just summarize, maybe INR 30,000-INR 40,000 crore kind of a bid, we are planning to put in now and out of that, we are looking at INR 10,000-INR 12,000 odd crore. But given that, let us say, we do another INR 500 crore kind of execution now. So, for FY '27, and the way the bids are then, let us say, if we win that also, how one can look at the execution or the revenue for FY27 and particularly for FY '28, because as you highlighted, once we get this and it will take 6-8 months to start the execution, then for us to recoup whatever the loss or we have missed on the revenue front that we should be covering in FY '28. So, there, how one can look at, can we look at INR 4,500 crores kind of a revenue in FY '28? Is it possible?

Venkata Ram Rao: Sir, most probably it could be possible. It bifurcates right now; order book is INR 8,850 crores. On that, , mining order is around 3,500. If we exclude them, then order book will come to around INR 5,300 crores. On that, irrigation is almost INR 1,700 up there. Out of that, almost INR 800 crores is that is only unbilled is there. If you remove that INR 800 only in a new irrigation only, we left out of around INR 4,300 crores of order book, existing order book. Out of INR 4,300, we can execute around, we can say INR 2,000 crores civil work in the next year, 2027 out of the current order book. And if any order is coming and we have been able to execute, that will be added. With current order book, definitely we can able to execute around INR 2,000 crores in FY '27.

Shravan Shah: And lastly, margin though this quarter, if you can highlight specific reason why it has significantly fallen and going forward, once we get this order inflow, can we look at again 13%-14% kind of EBITDA margin?

K. Jalandhar Reddy: Actually, to regularize that, I think we hope not exactly this year or FY '27 also. We are not expecting that result, but I think FY '28 could be a very bright year for us. That is what I am thinking because all these new projects, whichever we build, then we win. And that will launch in the last quarter or third quarter of the coming year. So, definitely, the execution will be very less in FY '27. So, at this stage, it is difficult to say, but the competitive tendency is also very tough years nowadays. So, with all that, I think adding to our perception, definitely, I think we could go a little bit lower side on this FY '27. Maybe it is quite difficult to expect levels like 13-14% levels right now, but I think we can expect something near to 9-10% figures to be deliverable. So, because the entire project force, project site people, everything, manpower is completely on and the number of turnover is coming down. So, definitely, there is an impact on that. And people sitting idle and second, equipment is very huge with us and that is not performing to the required level. So, this is also fall in such thing.

Venkata Ram Rao: And Shravan, with that actually what sir said, because lot of projects is coming to final stage. If you see our Garuvayur project, our Ramanattukara project, our Magadi project and Avinashi project, all these projects are almost at fag of end. So, what is happening fag of end there won't be much revenue, but corresponding expenditure will be there, what sir is talking. Big expenditure is already there. So, that is why actually this quarter, this has come down. And as you know that in one of the projects actually due to this construction of viaduct, so around INR 20 crores extra additional cost has come in this quarter. So, these are the mainly reason actually why our EBITDA has come down from 5% in spite of our industry level. But in future actually next year also maybe 9%-10%, but 2028 onwards, once we get all the projects and definitely we should try to get our sustainable EBITDA of around 13%.

Shravan Shah: Got it, sir. Thank you and all the best.

Moderator: Thank you. Our next question comes from the line of Niteen S Dharmawat from Auram Capital. Please go ahead.

Niteen S. Dharmawat: Yes, thank you for the opportunity. So, my question is regarding the projects from NHAI. So, what is the status now? Are these projects coming? Are they putting more projects for bidding or is there still a stress in the system? What is the sense you are getting, especially for next financial year?

K. Jalandhar Reddy: Yes, sir. Up to March end, we could see almost 53 bids from NHAI we have selected. I think it is on selected only I am talking about, in which the size of the projects are varying from different sizes, INR 5,000-INR 6,000 crore size to, it is varying from up to INR 400 crore also. So, these are the project sizes we have, sir. Most of them are above INR 1000 crore, very few are below INR 500 crore also. So, we have selected in a pattern where it could be our interest or the nearby projects or side by side projects, all that smaller scales also we are looking and trying to bid, so that it becomes a bigger portfolio for us. So, like that we are targeting, sir. But I think one aspect I can say, but because the aggression in the market is very heavy here. So, we are also not looking at the margins as we used to look at earlier. Maybe we will have to dilute 2%-3% of the margins and then go ahead. So, that is to be also noted, sir for few projects, not all. Maybe for state highways and all, we are very good, we can get a little bit EBITDA more. But NHAI is concerned only to make ourselves right now comfortable, we will be bidding a little bit, a few projects a little bit lesser because the initial level, aggression will be there. So, there we will be, but the size of the projects are more than INR 3,000 crores projects. There we can aim the right margins as we used to get earlier. So, definitely, sir, hitting on bigger size projects will always be helpful. That is what I am thinking right now.

Niteen S. Dharmawat: Got it, sir. Because last few projects that we lost with very small numbers, if I understand it correctly. So, maybe some bit of aggression from our side would help. Is that something that we are concluding?

K. Jalandhar Reddy: Yes, sir. That is what I am also looking at, sir.

Niteen S. Dharmawat: Sorry, sir, what you said?

K. Jalandhar Reddy: Yes, actually some sort of healthy bidding only we have to do, sir. But however, we will have to little bit dilute on the margin side so that to keep ourselves first comfortable and then make a bid. So, as a combination, it could be good one. That is what the conceptual thing which we are trying to design.

Niteen S. Dharmawat: Correct, sir. My second question is about the net debt. So, with all the deals that we have done recently, what will the consolidated debt after we receive all the money? Can you highlight that and how it is going to look from the balance sheet perspective when we are bidding for the new projects?

Venkata Ram Rao: Overall, actually, our debt consolidated as of December is around INR 2,400 crores. Out of INR 2,400, out of the 4 SPV that we are doing the monetization, their debt is around INR 2,100. So, debt consolidated as of December will be around INR 300 crores. And in future, also the debt is basically, we have this three HAM project is going on, and that only debt will come. So, you can say by March, , after completion of this divestment program, our debt will be around INR 500 crores on consolidation basis.

Niteen S. Dharmawat: Got it, sir. Thank you so much and wishing you best. Thank you.

Venkata Ram Rao: Thank you.

Moderator: Thank you. Our next question is from the line of Vaibhav Shah from JM Financial. Please go ahead.

Vaibhav Shah: Sir, you indicated that we will be closing at INR 2,000 crores revenue in FY '26. So, it indicates a revenue of only INR 450 crores for Q4. So, there will be a sharp fall in Q-o-Q business in Q4?

K. Jalandhar Reddy: Yes, because we have, whatever the existing order book is there, based on that only we are projecting that we will get around INR 450 crores. Total this year, we are going to achieve around INR 2,000 crores of the turnover.

Vaibhav Shah: And next year also INR 2,000 crore?

Venkata Ram Rao: Next year is based on our existing order books. It will be INR 2,000 crore if we are getting some good project in the current, maybe in the first quarter or maybe in Q2 also, then we can try to expedite and we take some. If we see easy work is coming, definitely we can look into it. If it is a HAM project, then almost it will take further 8-9 months to complete. So, that is why if additional order is coming, so definitely that will further added in our revenue.

Vaibhav Shah: So, worst case number is INR 2,000 for next year?

Venkata Ram Rao: Based on our existing order book.

Vaibhav Shah: Sir, secondly, our order inflow in YTD would be somewhere around INR 4,300?

Venkata Ram Rao: This year will be entire 9 months.

Vaibhav Shah: Mining order and 2 EPC projects?

Venkata Ram Rao: Mining will be around INR 4,000 crores.

Vaibhav Shah: Around 4000 crore. So, there were 2 orders. One was multi-level flyover at Khajaguda and other was iconic bridge across Mir Alam Tank. So, that put together is around INR 800 crores?

Venkata Ram Rao: INR 450 crore actually, put together, INR 800 crores.

Vaibhav Shah: And mining is around INR 3.5 crores. So, it will be around INR 43-INR 44 crores order inflow?

Venkata Ram Rao: Yes, this year.

Vaibhav Shah: Sir, according to media articles, there was also one project called Thiruvanmiyur to Uthandi HAM project. I think from state government. Any update on that? You were L1 in that HAM project?

Venkata Ram Rao: Chennai.

K Jalandhar Reddy: But Chennai project, actually there is a court case. The hearing is on 12th of this month. So, earlier to this, it is very difficult to say anything. But however, , the department is also under discussion with the committee. They are discussing on how to go about that court case after that.

Vaibhav Shah: Sir, court case is regarding?

Venkata Ram Rao: Actually sir, one of the bidder, he is disqualified. He has no qualification actually, but he is fighting in the court to qualify as he is less by so much amount like that. So, there he went to the court. One single bench has cleared in our favor, not our favor, it is in the department's favor. Because we are in no way concerned with this. Generally, we made an allegation on that that you have been blacklisted, so how you can bid, like that. He made an allegation for which we have submitted our documentation because we went to the court and we nullified that order. After that, NHAI has considered with a settlement agreement saying that we will do the flyover free of cost and they will not put us in blacklist. So, there is no blacklist for us. So, which we have explained to the court and that part we got here from the single bench. And now, he went to the double bench actually. So, now double bench hearing is on 12th. So, once that outcome comes, then we can be able to tell you about that.

Vaibhav Shah: Sir, secondly, any update on Bhandara-Gadchiroli order? So, do we expect anything to happen?

K Jalandhar Reddy: This is pending in a long way. We have been extending the bank guarantees and waiting for that. Because the Land Act is only concerned what they are talking about. But I think in a month's time, we will be able to know that. They also said we will somehow clear it in March.

Vaibhav Shah: So, any possibility of getting LOA sometime in first quarter next year? Or is there a possibility of calculation of order?

K. Jalandhar Reddy: Both the possibilities are there. We really do not know. It is pending with CMO office actually. What CM takes a view that depends on it actually. But after lagging on to the project for so many days, generally it will not go in cancellation. Because if they had to cancel, they would have cancelled by now. Because they have cancelled that multimodal corridor and we call it the tenders in BOT toll. So, this is not cancelled as of now.

Vaibhav Shah: And sir, lastly, one bookkeeping question. So, out of your irrigation book of INR 1,700 crores as of December, what would be the unbilled portion?

Venkata Ram Rao: Around INR 800 crores, INR 816 crores unbilled.

Vaibhav Shah: So, the revenue potential is only INR 900 odd crores from the irrigation book, incrementally?

Venkata Ram Rao: Yes. INR 900 crores.

Vaibhav Shah: And what would be the total unbilled revenue at the company level?

Venkata Ram Rao: It is around INR 1,355 crores.

Vaibhav Shah: And in the water pipeline order, we have seen that the order book is roughly INR 1,033 crores. So, also there is some unbilled portion over there in that order?

Venkata Ram Rao: With pipeline work, no?

Vaibhav Shah: Yes, pipeline.

Venkata Ram Rao: So, there is an unbilled is there around INR 140 crores unbilled is there.

Vaibhav Shah: So, that also should be reduced as if you want to look at revenue potential out of INR 1,300 crores?

Venkata Ram Rao: Yes. It will also reduce. Yes, correct.

Vaibhav Shah: Thank you, sir. Those are my questions.

K. Jalandhar Reddy: Thank you.

Moderator: Thank you. Our next question comes from the line of Ritesh Poladia from Girik Capital, please go ahead.

Ritesh Poladia: Yes, thanks for the opportunity. Sir, if you can give us some comments on Kaleshwaram Package 3 and Package 4, how much needs to be done more?

Venkata Ram Rao: Total outstanding receivables on this Package 3, there is no outstanding receivables, but for the certified bills are there, it is already paid off. And with respect to Package 4, around INR 677 crores is the certified bill that is pending for payment. And other than this, unbilled is in both the project is around INR 650 crores. So, total around INR 1,430 crores is the amount that we supposed to receive from the Government of Telangana for certified and unbilled portion.

Ritesh Poladia: And do we need to spend more on this project or is this over from our end?

Venkata Ram Rao: For Package 3 is definitely no issue because we are receiving the collection. As far as Package 4 is concerned, that left out order book is around INR 100 crores, So, for that, we may have to incur some expenses. Otherwise, most of the work of Package 4 is also completed.

Ritesh Poladia: And sir, is there any regulations we are taking or we are still waiting for Government to come back to us?

Venkata Ram Rao: Definitely, we are following the Government and as you know, we have already put our appeal to the court also. Both processes we are following actually, both following the department as well as through the court also.

Ritesh Poladia: Then you can give us by what time this can be cleared out or is there any chance that we need to write it off?

Venkata Ram Rao: Definitely, on the Government side, there is a delay. There is no question of write-off.

K. Jalandhar Reddy: Actually, writing-off means such a huge process, writing-off is a big deal. The second thing is, the Government is not saying that they will not pay the bills. And they are really certifying the bills that they want us to do the project and all that. This month, that month, which is extending. But the thing is, hopefully, I am also thinking partial payment can be recognized in this month, March ended. By March ended, the partial payment should come out. That is what we are thinking. Because there is a necessity of that project to be coming somehow. Recently, in CMO assembly also there was a discussion. After that, there is a CMO office, there is a discussion, all the concerned officers were called there. And they wanted water for Hyderabad. So, Hyderabad badly needs water. So, for that it is going to be a critical thing for them. Unless they commence this project, upcoming year, they cannot give the water properly. So, to address this, they wanted this project to be speeded up. So, the Department has said that it has been not paid for so many years, and the contractor is slowly moving on it. And there is no significant expected progress is not there. That is what they said. So, then CM said, no, we will pay them, ask them to speed it up like that. The department approaches and they said, okay, you pay us, we will speed up. That is what he said. So, I think, hopefully, the heat is coming up from the requirement side. So, definitely they should consider to pay us.

Ritesh Poladia: Sir, another question on high-speed rail side, what kind of projects you will be targeting?

K Jalandhar Reddy: Actually, it is a very premature stage. Because, I think already the high-speed rail network is being done in India. Right now, Hyderabad, Pune and all that, they are supposed to launch on the project side. So, we are also, right now we have recruited one CFO for Railway, not for high-speed railway. He is a PE retired person. Mr. Ashok has been taken on the board now. He is forming the team. And also he is likely to visit the concerned departments in the next week. So, we will get more information on that side. Because as budget, they have allocated a lot of funds towards doing these projects. So, definitely, we also want our footprint out there. So, now roads had some bad days this year, these 2 years onwards. So, definitely, we want to have another portfolio where it can keep us in growth track. That is what our concept is. Because it is a civil construction. We are always the civil construction. Only the rail mechanism and all that, we need to learn a little bit with the design consultants and all that. There are a lot more people available with the rail. So, definitely, we can cope up and do work. That is what our feeling. So, that is where we are starting off, sir. It is a very starting stage we have.

Ritesh Poladia: Yes, that is all from my side. Thank you very much, sir.

Moderator: Thank you. Our next question comes from the line of Deepashri Joshi from Ambit Capital. Please go ahead.

Deepashri Joshi: Yes. For the canal project, is there a change in scope for the bid cost?

Venkata Ram Rao: Which project, actually?

Deepashri Joshi: The canal project. Paleru Link Canal and Sitarama Lift Irrigation?

Venkata Ram Rao: That is your new one. The last time, it was INR 327 crores.

Deepashri Joshi: Yes.

Venkata Ram Rao: It is the same only. Order book is the same only. It is INR 327 crores only.

Deepashri Joshi: Sir, my question is because the total irrigation project in September 2025, in the order book, the number was around INR 1,500 crores. And now the number has increased to INR 1,700 crores. So, just wondering where the increase has come from?

Venkata Ram Rao: It is that addition in our Package 4,. So, what is our Package 4 was there. So, there are some RE has been approved,. So, there was some addition in our Package 4. It is not due to these projects. It is due to our existing package.

Deepashri Joshi: So, whatever addition is because of Package 4?

Venkata Ram Rao: Yes.

Deepashri Joshi: And when is the Paleru Canal and the other Sitarama lift, when is that expected to start?

Venkata Ram Rao: Because there is some land acquisition issues are there in that project. So, this is now government is starting out there. So, it may start in somewhere in next year, Q1 of next year.

Deepashri Joshi: Got it. Just one more thing. What is the CAPEX guidance for FY '26 and '27?

Venkata Ram Rao: Definitely, because what are the existing CAPEX are there, that is sufficient for us. If we are adding some new project, , in a sector, so for that CAPEX may require. So, really, we have to see that when we are getting these projects. So, based on that, we may go up to around, you can say, INR 100 crores CAPEX next year.

Deepashri Joshi: Got it. And sorry, last question. For the Package 4 and 5, Mysore packages, what is the expected execution or the revenue that you are expecting in Q4?

Venkata Ram Rao: Which projects?

Deepashri Joshi: Package 4, Package 5, Mysore-Kushalnagara?

Venkata Ram Rao: For these two projects in this quarter, you are taking? Q4 or next year?

K. Jalandhar Reddy: Actually, ma'am, that yes, this is concerned. There has been almost the new land problems have cropped up there. Because it is a complete refill the land which is cutting down entire village access to the other part of the stream. So, they wanted some service roads, for which state Government supposed to do the land acquisition, which NHAI is supposed to construct it. But the thing is now, because the main problem is with the public, they have already not started any land acquisition as of now by the national government. So, the public were angry and they stopped in certain areas. So, the Package 5 concerned, there is land problems; Package 4 concerned I think only 60%-65% land is available there. And Package 5, the land is almost only 50%-55% available. That is it. Within that only we have to finish. So, that is what we are planning is that we do a little bit early. Completion is ensured, leaving the gaps of the land issues. And balance will be going for this completion. I think the issue is taken into PMO purview to pursue that matter as NHAI tried to convince the people. So, this is under PMO's purview. So, maybe it gets solved in another 4-5 months, let they say, 2-3 months at least. So, this is the situation. So, here the completion can happen I think by May-June, we are expecting to do the PCOD for that. Targeting, it is not that thing we are doing.

Deepashri Joshi: So, for Package 4, you will still be able to maybe finish because there are no issues as such. Package 5 is still a concern?

K. Jalandhar Reddy: Yes, a concern but whatever the left over land, whatever the land for working is available, that will finish and go for PCOD. As such, contract says as a number of gaps which they doesn't give you before 6 months that can be deleted or delinked over PCOD. And then again after that, we will be doing PCOD to final completion.

Deepashri Joshi: So, both combined, what do you think will be the revenue from these two projects in Q4?

Venkata Ram Rao: Actually, these 2 projects are about say around INR 10,000 crores odd. So, roughly, we get around say INR 300-INR 350 crores because already partial is executed. Now, almost INR 1,100 is pending. So, it will come around INR 400-INR 450 crores. In next year, FY '27, out of that, we can expect around 40%-50%, around INR 450-INR 500 crores.

Deepashri Joshi: Got it. Thank you so much.

Moderator: Thank you. Our next question comes from the line of Bhavin Modi from Anand Rathi. Please go ahead.

Bhavin Modi: Hi, sir. Thank you for giving the opportunity. Sir, just wanted to understand the hike in the subcontract expense. It is around INR 216 crores and that has led to the decrease in the EBITDA margin to 5%. So, can you just help me, what is this cost pertaining to?

Venkata Ram Rao: Sir, , as you know, our pipeline project is there. That is, we have given back to back to our subcontractors. So, on this pipe project, , around INR 170 crores turnover has happened. Out of INR 216 crores, INR 170 crores is pertaining to these subcontractor things out there. So, that is why subcontractor expenses have increased. And as you know, subcontractor project has compared to less margin. So, that is also one of the reason that our total EBITDA has reduced. And other reason, as I already told you, due to completion of our projects in the final stage and one issue in viaduct construction in Ramanattukara. So, these things actually has factored and reduced the EBITDA.

Bhavin Modi: And sir, what about that there was an accident, right? On NH 66, for which we had to do the some of the rework, right? Worked INR 20-INR 25 crores. So, what is the status with respect to that?

K. Jalandhar Reddy: Yes, the bridge construction is going on, sir. I think almost subsection is 100% completed. Superstructure will get completed by this month end maximum. Less than 10 days.

Bhavin Modi: So, sir, how much money did we spend?

Venkata Ram Rao: We spent around INR 30 crores, as of now. Around INR 15-INR 20 crores, we have to go into that.

Bhavin Modi: And that has been reflected?

Venkata Ram Rao: about INR 50 crore above that on that project.

Bhavin Modi: Got it. Yes, sir. That is it from my side.

Venkata Ram Rao: Thank you.

Moderator: Thank you. Our next question comes from the line of Vasudev from Nuvama. Please go ahead.

Vasudev: Yes, thank you for the opportunity. Sir, I just wanted to know how is the progress going on with the irrigation and the pipeline projects? Like, how much have we executed in 9 months we are spending all the book and now when do we expect to complete these projects?

Venkata Ram Rao: out of this INR1,033 crore, , we already around INR 150 crores work already done in the month of December. And in this quarter, Q4, we are expecting around INR 200 crores work in this quarter. So, already INR 100 crores billing is there, that you have to put the bill and balance INR 100 crores in the next month. So, definitely, out of INR 1,100 crores, almost around INR 350 crores is going to be executed by this year end. And maybe in next year, we may execute around INR 300-INR 500 crores, balance maybe around INR 400 crores work in pipeline projects for the next year.

Vasudev: And sir, just a clarification on the subcontracting expenses, you said INR 170 crores was for irrigation projects where we haven't received the amounts. So, like revenues and book per cost has been incurred. So, that is why margins are low. Is the understanding correct?

Venkata Ram Rao: Yes, it is corresponding because our accounting is based on expenditure basis. So, already I have considered in our cost as well as in our revenue to the extent of margin, whatever our EBITDA margins are there. We have to, in revenue also consider, expenditure also consider. But because being the subcontractor expenditure, we won't get that 13%-14% EBITDA in that. Generally subcontractor, back to contractor will have around 3%-4% margin. So, that margin only has been built up in the financial.

Vasudev: Sure, sir. And just a few bookkeeping questions. Sir, if you can help me with your standalone debt and cash levels, the segmental revenue split and CAPEX that we did in the third quarter?

Venkata Ram Rao: The standalone debt is 0 actually. And there is a cash surplus as of December of INR 80 crores on standalone basis.

Vasudev: And the CAPEX in Q3 and the revenue segmental revenue split?

Venkata Ram Rao: We have only one segment. So, whatever the revenue is there, that is only one segment. And as far as CAPEX is concerned, we added INR 5 crores of CAPEX in this year.

Vasudev: Sir, I was meaning like, the total revenue, how much is from the road HAM project, EPC irrigation. So, if you can give that split for the third quarter?

Venkata Ram Rao: That percentage is there. In HAM it is 28%. And irrigation is around 17%. And back to back is around 33%. And our own execution is around 20%.

Vasudev: Sure, sir. That is it from my side.

Venkata Ram Rao: Thank you.

Moderator: Thank you. Our next question is from the line of Dheeraj Kripalani from Avendus Spark. Please go ahead.

Dheeraj Kripalani: Hello. So, my question is a follow-up on one of the previous questions. Like we said, YTD FY '26, we have secured INR 4,300 crores of orders. And like you said, up to March end, 63 bids are more to come from NHAI. So, can we expect some additional order inflows in 4Q? And what will be our target for FY '27 order inflows?

Venkata Ram Rao: Definitely, because this quarter, we are expecting more than a bid from NHAI. So, definitely, we are targeting to add, , some of the order in Q4 NHAI we have been project, like all these are HAM project we have bided actually INR 5,000 crores. So, definitely, it is a target,. We want to add something. And total, around INR 10,000-INR 12,000 crores, we are targeting by September 26, actually. We should be able to get, further order inflow of around INR 10,000-INR 12,000 crores by September 2026. So, these are the targets. And towards that target, it just shows that almost INR 7,000-INR 8,000 crores, we already bid. And we already identified INR 30,000-INR 40,000 crores, order that we are going to bid. So, that is why we are working on that.

Dheeraj Kripalani: Thank you.

Moderator: Thank you. Our next question is from the line of Shravan Shah from Dolat Capital. Please go ahead.

Shravan Shah: Hi. Sir, just a clarification. The further equity that to be invested, you said INR 235 crores. But given whatever the adjustment that or rather lower equity for the 4 SPV that we are selling, it should be INR 107 crores that we should be putting additionally?

Venkata Ram Rao: That is why I told, out of this revised equity, out of INR 962, we already put INR 700 crore. Left out is only INR 235 crores of equity in our future HAM project.

Shravan Shah: I will have a word with you on that. And this entire INR 1,543 crores, how much out of that we are likely to receive as a cash by March?

Venkata Ram Rao: Actually, for two projects, that is Palani and this Ramgiri that we are planning to complete because we already had applied to the banks for NOC and to the NHAI also. And we are expecting that we should be able to close it. We are targeting to close Palani and Ramgiri. That together is coming to around INR 500 crores, by this March end. And balance with Ramanattukara and Guruvayur in first quarter of the next year. That is our target,, to complete that.

Shravan Shah: And then the CAPEX for this mining that we got, so when we will be doing the CAPEX for that?

Venkata Ram Rao: Definitely, as you told us, there is still forest clearance has not come. Based on that, so maybe in next year, end of the year, maybe we have to do some CAPEX in that. And when we see that there is a physical front is available to institute the work accordingly, we will make up the required CAPEX. So, we expect that somewhere in Q4 of the next year, we may be able to take some CAPEX in that project.

Shravan Shah: So, total CAPEX on that project is INR 350 odd crores, if I am not wrong?

Venkata Ram Rao: Yes, tentatively, yes, INR 350 odd crores.

Shravan Shah: So, some we will do in 4Q FY '27 and the balance will be in FY '28?

Venkata Ram Rao: Yes.

Shravan Shah: Got it, sir. Thank you.

Moderator: Thank you. Our next question is from the line of Vaibhav Shah from JM Financial. Please go ahead.

Vaibhav Shah: Sir, you indicated that in the Kerala project, the cost which we have to bear viaduct construction, it will be roughly INR 14-INR 15 odd crore in Q4 as well?

Venkata Ram Rao: Yes, definitely. For Q4, it is left out around INR 15 crore, so that we have instituted, yes.

Vaibhav Shah: So, that will come in Q4?

Venkata Ram Rao: That will come in Q4.

Vaibhav Shah: So, secondly, for the pipeline order, what revenue are we targeting for FY '27?

Venkata Ram Rao: FY '27, we are targeting around INR 400-INR 450 crores on that project.

Vaibhav Shah: As we compare in FY '28?

Venkata Ram Rao: The balance will be in FY '28.

Vaibhav Shah: And sir, for the two new orders which we got, the two EPC projects, 450 and 300, what is the timeline for those two orders? One was 24 months, the Mir Alam Bridge. What about the second order?

Venkata Ram Rao: Both are 24 months only.

Vaibhav Shah: So, that should be completed by FY '28, both of them?

Venkata Ram Rao: Both are going to be completed by FY '28, yes.

Vaibhav Shah: And when do we expect to start the execution on them?

K. Jalandhar Reddy: Mir Alam is going to start already. It has started. Work has started. Yes, mobilization is going on. Filing work is also started. But actually, there is a change in design because of the water is complete in the pond. So, there is some change of design which we have submitted and that is approved. So, design on the basis of that needs to be approved. Actually, in principle, the changes were approved. So, a detailed design needs to be made and then it could be got approved. So, for a few foundations, we have started the work actually, where there is some clarity.

Vaibhav Shah: And the other project?

K. Jalandhar Reddy: Other project has started, sir, going on. There is some tree cutting problems are there, but they are solving.

Vaibhav Shah: And sir, for the two irrigation projects, the total around INR 430 crores value. So, when do we expect to start the work on both of them? It was quite a bit delayed?

Venkata Ram Rao: Yes, it may be because there was land acquisition was there. So, maybe in Q1 of next year, it will start.

Vaibhav Shah: And we can do roughly 40% odd in a year because they were 24-month projects, both of them?

Venkata Ram Rao: So, then definitely land is available, but that is yes, definitely we can do it, around 30%-40% in the first year.

Vaibhav Shah: And sir, we have seen some uptake in revenue for the two Karnataka HAM projects, Package 4 and Package 5. So, combined, what revenue would be expecting for FY27 from those two projects?

Venkata Ram Rao: Both two projects will be around, you can say, maybe around INR 500 crores on both the projects.

Vaibhav Shah: So, then the land issues are sorted in the both of them, right now?

Venkata Ram Rao: In one project, land issues are there. In one project, it is okay that we can ensure. So, that is why we consider around 50% of the balance at around INR 450 crores. We can do it for INR 450-INR 500 crores.

Vaibhav Shah: Thank you, sir. Those were my questions.

Moderator: Thank you. Next, we have a follow-up question from Niteen S. Dharmawat from Auram Capital. Please go ahead.

Niteen S. Dharmawat: Yes, thank you. Sir, just wanted to know, what is the receivable amount now from the Telangana projects that we had earlier? And what is the recovery cycle we will be having over here?

Venkata Ram Rao: So, this Telangana, out of INR 870 crores of receivable, around INR 627 crores receivable is from the Government of Telangana. That is for the Package 4. And if we consider unbilled also, total around INR 1,430 crores is there from Irrigation Department from the Government of Telangana. And as far as collection is concerned, we are trying to put a few pressures. We are expecting some part of collection by the end of March. Some part out of this INR 677 crores. So, that is why we are putting a lot of pressure, I think. That is why we are working towards that.

Niteen S. Dharmawat: So, how much we are expecting? Almost 50% or less than that, if we can have some estimate over there?

Venkata Ram Rao: Maybe around 50% we are expecting. 50% of the certified bills, whatever the certified bills are there around INR 677 crores. We are expecting some around 50%.

Niteen S. Dharmawat: Got it. And we have not filed any case for this, right? We are still negotiating with the Government only?

Venkata Ram Rao: No, case is already filed. We are putting this pressure also.

Niteen S. Dharmawat: Got it, sir. Thank you, sir. Thank you.

Moderator: Thank you. As there are no further questions, I would now like to hand the conference over to management for closing comments.

Venkata Ram Rao: Thank you all for joining us on this call. Please reach out to our Investor Relations and Strategic Growth Advisors or us directly, should we have any further queries. We can now close the call. Thank you.

Moderator: Thank you, sir. On behalf of KNR Constructions Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.