



**“KNR Constructions Limited
Q4 FY '25 Earnings Conference Call”
May 30, 2025**

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**MANAGEMENT: MR. K. JALANDHAR REDDY – EXECUTIVE DIRECTOR –
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LIMITED**



Moderator:

Ladies and gentlemen, good day and welcome to the Q4 and FY '25 Earnings Conference Call of KNR Constructions Limited. Please note that 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 the guarantees 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 the conference call, please signal an operator by pressing star then zero on your touch-tone phone.

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

K. Venkatram Rao:

Good morning. Thank you for joining us today on the call to discuss the financial results for Q4 & FY25. Along with me, I have Shri K. Jalandhar Reddy, Executive Director and Strategic Growth Advisors, our Investor Relations Advisor.

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

The road infrastructure sector witnessed a slowdown in the previous financial year, but the last quarter showed a promising sign of the recovery with improved project awarding and execution activities. The positive momentum has been supported by key policy reforms from the Ministry of Road Transport and Highways. The enforcement of the fixed timeline for land acquisition and statutory clearance; including forest and wildlife approval which is a much-needed step to expedite project execution and minimize delays.

Additionally, the revised policy to impose additional performance security on aggressive projects, encourage more responsible and financial sound bidding practices. These measures are designed to streamline execution, reduce cost overrun and ensure timely delivery, which also addresses long-standing bottlenecks in the project approval process.

One of the most ambitious initiatives by MoRTH is a plan to upgrade 25,000 to 30,000 kilometers of the two-lane highway into the four-lane corridor with an investment outlay of INR8 lakh crores to INR10 lakh crores. The large-scale transformation will significantly boost

highway capacity, road safety and regional connectivity. These are expected to bring greater transparency, enhance quality accuracy, and reduce execution delays.

FY26 is poised to maintain robust momentum with MoRTH targeting the construction of over 10,000 kilometers of the highway, prioritizing the modernization of existing infrastructure and improve connectivity across the northeast region. Furthermore, the planned rollout of 5,800-kilometer high-speed corridor network is expected to significantly enhance national connectivity and drive economic growth. Finally, the convergence of the policy reforms and greater capital investment painted a highly promising picture for the sector.

Now, coming to the key updates of the company, the percentage of physical progress as of March 31st, 2025, for the HAM project is as follows; Ramanattukara to Valanchery, approximately 95%, Valanchery to Kappirikkad, approximately 93%. Chittoor to Thatchur, approximately 91%, Magadi to Somwarpet, approximately 89%, and Marripudi to Somvarappadu, approximately 37%.

As of March 31, 2025, the company has already invested INR651 crores out of INR990 crores revised equity requirement for all the HAM projects. The additional equity requirement of INR339 crores to be infused INR210 crores in FY26 and around INR130 crores in FY27. You can refer to the Slide number 26 of the investor presentation for detail on each HAM project.

As per the share purchase agreement in October 24, KNR Holding and Investment Private Limited, which is a wholly-owned subsidiary of the company, has successfully completed the transfer of entire shareholding in KNR Muzaffarpur Holdings for consideration of INR1 lakh. And further, the company KNR Constructions Ltd has transferred its entire shareholding of 0.65% in KNR Muzaffarpur Barauni Tollway Private Limited for a consideration of INR45.90 lakhs.

Moving ahead, in April, the company secured appointed date for both the project Mysore to Kushalnagara Package IV and V. In May, the company received the provisional completion certificate for Chittoor-Thatchur Package III, making its completion 40 days ahead of the schedule. The early delivery has made the company eligible for a bonus of INR3.26 crores.

On May 21, 2025, KNR Construction Limited, along with its wholly-owned subsidiary KNR Ramatheertham Private Limited, has received a show cause notice from the NHAI for a partial damage of an under-construction BOT in Kerala, this was caused due to some indeterminate subsoil conditions and high water table. One of the approach ramps with RE wall of the VUP has yielded and caused excessive settlement.

As a result, the service route is slightly distorted and all efforts are exercised to reinstate the service road facilities on either side of the main carriageway. Further, we are still evaluating the financial impact of the event.

Now, coming to the order book position, as of March 31, 2025, the company's total order book stood at INR5,052 crores. This is divided at HAM, 37% (Errata: actual number to be read as



40%); irrigation, 28%; pipeline projects, 21%; and other road projects of 13%. (Errata: actual number to be read as 11%) The current order book will be executed over a period of around 1.5 to 2 years.

With the government emphasis on infrastructure development, we anticipate new outwards in the coming quarters and which aims order inflow of approximately at least INR8,000 crores to INR10,000 crores by the end of '26.

Now let me move to the Q4 and FY '25 stand-alone financial performance, followed by the consolidated financial highlights. I will start with quarterly highlights first. The revenue for the quarter stood at INR851 crores. EBITDA for Q4 FY '25 stood at INR118 crores as compared to INR214 crores in Q4 FY '24. EBITDA margin in Q4 FY '25 is at 13.8%. Net profit for the quarter was INR75 crores as against INR198 crores in Q4 FY '24.

Now coming to FY '25 highlights, revenue for FY'25 stood at INR3,359 crores. EBITDA for FY '25 stood at INR626 crores as compared to INR 701 crores in FY '24. EBITDA margin in FY '25 stood at 18.6%. Net profit for FY '25 grown by 47% at year-on-year to INR726 crores as compared to INR494 crores in FY '24.

Now coming to consolidated financial performance. I will start with the quarterly highlights, the company reported a total revenue of INR975 crores as compared to INR1,414 crores. EBITDA came in INR221 crores in Q4 FY '25 to INR375 crores in Q4 FY '24. EBITDA margin in the current quarter stood at 22.7%. The profit after tax stood at INR8 crores in Q4 FY '25 due to consolidation adjustment on account of sale of stepdown subsidiary company.

Moving on FY '25 highlights. The revenue for FY '25 grew by 7% year on year to INR4,753 crores. EBITDA for FY '25 was INR1,625 crores as compared to INR1,048 crores in FY '24, posting 55% growth. EBITDA margin for FY '25 stood at 34.2%. Net profit grew by 33% year-on-year to INR1,002 crores.

Now moving to stand-alone balance sheet. The company continues to maintain strong balance sheet. The working capital days stood at 93 days compared to 89 days as of March '24. The consolidated debt as of March 31, 2025 is INR1,847 crores as compared to INR1,258 crores as of March 31, 2024. The net debt to the equity on a consolidated basis as of March 31, 2025 stand at 0.41x as compared to 0.34x as of March '24.

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

Moderator:

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

Shravan Shah:

Thank you, sir. A couple of questions, but entirely the questions is pertaining to the order inflow and the revenue front. So, I will try to break it as simple as possible. First, sir, in terms of unbilled revenue as on March is how much sir?

K. Venkatram Rao:

It is INR968 crores.

- Shravan Shah:** So, now if we remove this INR968 from our order book, INR5,052 odd crores, so roughly INR4,085 odd crores order book comes. So, first, out of this, how much we can execute in FY26 numbers then we will come back?
- K. Venkatram Rao:** Sir, what you said is correct, out of INR5,000 crores if we remove around INR1000 crores, almost INR4,000 crores order book is there. So, definitely we can execute this year between INR2,500 to INR3,000 with existing order book only. If we are receiving good project maybe by end of third quarter or fourth quarter, if we receive right now, the execution may start end of third and fourth quarter, then we can look into.
- Otherwise, definitely as I already told our previously also, this FY26 also will be based on the one we are receiving, based on that only we can really predict, but based on existing order book, we can go up to INR2,500 crores to INR3,000 crores.
- Shravan Shah:** Okay. So, now coming to in terms of the order inflow and the bid pipeline. So, if you can help us that what we are looking at 8,000 to 10,000 odd crores? So, previously also we have mentioned in terms of MSRDC project where Patel Infra, we are looking at our subcontracting there.
- So, if you can specify from NHAI, from state level, from this MSRDC, what kind of projects are we looking at and when can we expect to receive this INR8,000 crores to INR10,000 odd crores and likely in terms of the execution from this new order inflow, how much one can look at in the FY26?
- K. Jalandhar Reddy:** Actually, so that MSRDC one we speak about is that actually that cabinet approval is due for that. I think it has been recommended by all the other parties and finally it is due for that. I think within a month we should get the cabinet approval. After that, I think within a month, I think couple of months we shall get that LOA for that. That is what we are expecting.
- So, soon after we get the receipt that work may come to revenue after two, two and a half months from that issuance of that LOA because it is an EPC project, it can be started as soon as possible.
- Shravan Shah:** And here the value would be a INR2,500 odd crores MSRDC?
- K. Jalandhar Reddy:** Sir, actually 2,400. Maybe some margins and all we should take out and consider at 2,200 kind of levels.
- Shravan Shah:** Okay, go ahead, sir.
- K. Jalandhar Reddy:** And apart from that, sir, we are also pursuing severely in many mining areas and all of this. We have placed a bid in NTPC, we have placed now we are planning in Singareni, we are planning in western coal field bids. We have placed certain bids also there. The results are due and we shall get back to you with the details whenever it is all right. And the state government tenders also we are focusing. In couple of months, certain tenders are likely to float down.

I think in two, three months down the line we shall have the considerable bids we are having in the hand, actually.

Shravan Shah: Okay, so, sir, if you can specify the value in terms of this mining state level and NHAI, the total value that we are looking to bid in next couple of months. And maybe even previously we were looking at water also. So, if you can MP Rajasthan we were looking at?

K. Jalandhar Reddy: I think that overall total we are looking at almost INR30,000 crores, INR40,000 crores are NHAI bids. And state highways also were around INR10,000 crores to INR15,000 crores likely to come up, in coming two, three months time. And apart from that mining INR2,000 crores, INR5,000 crores, in a tenure of four years, three years, two years, five years also there the tenure are different in that.

Shravan Shah: Okay, got it. And lastly, sir, in terms of the margin, EBITDA margin. So, this quarter, obviously, it has come down slightly. So, normally we used to target close to 15% to 16% kind of a number. So, now how one can look at the EBITDA margin?

Kamidi Reddy: I think actually around 13%-14% it is possible. Maybe little bit tough minus 1%, 2% we are expecting because that overheads will be higher and that turnover is lesser. So, that may count a little bit problematic to us. That's why we are a little bit downgrading the expectations also.

Shravan Shah: Yes. Sir, lastly irrigation, have we received any money? When can we expect the money because this INR1,200 crores, INR1,300 crores is pending. So, how are we confident that we will be getting this money?

K. Jalandhar Reddy: Irrigation, sir. we have even spoken to the Minister last week, sir. They said a couple of months, we shall solve this. That's what they are saying. We are hoping for the best in this, sir. We are pursuing and in both cases also we would like to move, but the department said, wait for one more month and then move it like that.

As it is likely to get settled down in one and a half months' time. So, we have given it to the lawyer and they are ready to file it also. The day we say yes, it will go on.

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

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

Vaibhav Shah: Sir, of our irrigation water backlog, what will be the unbilled portion?

K. Venkatram Rao: Unbilled will be around almost INR500 crores, actually.

Vaibhav Shah: Sir, last time also it was around INR500 crores. So, it is similar number?

K. Venkatram Rao: Similar number, actually. Because this quarter certification has happened in package III and some certification in package IV. So, number is the same.



Vaibhav Shah: Okay. So, basically out of INR1,400 crores of water book of irrigation, we can expect an incremental revenue of INR920 crores?

K. Venkatram Rao: Yes.

Vaibhav Shah: Around INR900 odd crores?

K. Venkatram Rao: Around 900 yes.

Vaibhav Shah: Sir secondly what would be our revenue guidance for FY26? So, we mentioned that from current backlog, we can do INR2,500 crores to INR3,000 crores. So, what more can we do from maybe if we get this MSRDC order started and some few more orders as well?

K. Jalandhar Reddy: Sir, MSRDC could start in coming 3 to 4 months' time. Actually, 2 months will take for LOA. After that, 2 months for mobilization and then start on it. So, it may take 4 months. From now, the revenues will start because most of it is on the earthwork side. So, expecting maybe structures also will be going on parallelly.

So, I think around 400 to 500, 300 to 400 crores, we can book on this year because it will come in the last quarter kind of time. So, maybe now I think one quarter is almost over this year.

Vaibhav Shah: So, entirely, what would be our guidance on an overall basis for FY26 in terms of revenue? Can it be flattish or some growth or we may see some decline?

K. Venkatram Rao: Sir, guidance is definitely right now we cannot put it. What we told is existing order definitely we can do between 2.5 to 3. And based on when we are expecting this project, new orders based on this MSRDC or other projects. So, based on only that we can tell. So, that is why once we receive the LOA of that project, after that we can really give the correct guidelines to you.

Vaibhav Shah: So, secondly, on the water pipeline order, so how do you see the execution moving in FY26? Can we do somewhere around 35%, 40% odd in that project?

K. Venkatram Rao: Yes, we can expect that.

Management: Around INR300 crores to INR400 crores definitely we can target.

Vaibhav Shah: And lastly, I wanted some order backlog numbers for a couple of projects. So, what would be the backlog for Valanchery to Kappirikkad?

K. Venkatram Rao: Valanchery to Kappirikkadit is INR108 crores.

Vaibhav Shah: And for Ramanattukara to Valanchery?

K. Venkatram Rao: It is 98 crores.

Vaibhav Shah: And for Chittoor-Thachur?



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- K. Venkatram Rao:** Chittoor-Thachur is 122 crores.
- Vaibhav Shah:** And lastly we have not done nothing in the new irrigation project, right? It is yet to start, two new ones we won?
- K. Venkatram Rao:** So, two new ones we have appointed date only last month.
- Vaibhav Shah:** That we have given in the presentation. So, what would be the runrate for these two newly won projects, irrigation ones? And have you bid for any other projects you are expecting in the irrigation side in FY26?
- K. Jalandhar Reddy:** Irrigation, we are bidding, sir. Actually, there are some bids from Telangana, very few bids are there. But Andhra Pradesh, there are two bids coming up. Some APGENCO projects are also coming up. And then Bihar, there are projects in irrigation. And Madhya Pradesh also, there are projects in irrigation. So, we are pursuing all these very closely. Rajasthan HAM irrigation is also there.
- Vaibhav Shah:** I think sir on the Amravati development. So, over there, are you seeing any opportunity to have we bid for any projects?
- K. Jalandhar Reddy:** Actually, sir, that I think upcoming bids we are now placing, few bids we have placed, but we didn't get it. But upcoming we are now doing. I think there is a big bunch is likely to come up now.
- Vaibhav Shah:** Okay, sir. Lastly, on the show cause notice you received, so are we all both subsidiary and the parent company, both are banned from bidding for a month?
- K. Jalandhar Reddy:** No, sir. Actually, that order could be very clear that this concessionaire is barred from bidding from NHAI.
- Vaibhav Shah:** We as a parent company can bid for NHAI projects now?
- K. Jalandhar Reddy:** That's what our interpretation and we are even telling the department, sir.
- Vaibhav Shah:** Okay. Thank you, sir. I will join back in the queue.
- K. Jalandhar Reddy:** They are not mentioned about parent company at all. In the show cost notice they have asked why we should not take action against you like that.
- Vaibhav Shah:** Okay. Got it. Thank you, sir.
- Moderator:** Thank you. The next question is from the line of Niteen Dharmawat from Aurum Capital. Please go ahead.
- Niteen Dharmawat:** Yes. Thank you for the opportunity. Am I audible?
- K. Jalandhar Reddy:** Yes, yes. Correct, sir. Okay, sir.



- Niteen Dharmawat:** Yes, sir. So, sir, last quarter, our order book was INR3,800 odd crores and this quarter, the order book has gone to INR5,000 crores. So, it's an addition of around INR1,100 crores. Can you please elaborate what projects got added over here and what is the visibility for these projects?
- K. Venkatram Rao:** Actually, this, because what has happened, these two projects, we got the appointed date, , the package IV and package V. That is, it is almost INR1,200 crores project,. And we got around INR400 crores of the irrigation project. So, that has also added in our order book. So, with this and in some of the projects, we got actually COS. So, all put together, around INRR2,000 crores has been added, actually, in this year. So, that's why it has come to last year INR3,800. Now, it comes to INR5,200 crores.
- Niteen Dharmawat:** Got it. And any more appointment dates which are pending now?
- K. Venkatram Rao:** No, no, no. We've got all appointed dates for our existing projects.
- Niteen Dharmawat:** Got it, sir. If I have any additional question, I will come back. Thank you.
- K. Venkatram Rao:** Yes. Thank you, sir.
- Moderator:** Thank you. The next question is from the line of Saket Kapoor from Kapoor and Company. Please go ahead.
- Saket Kapoor:** Namaskar, sir. And thank you for the opportunity. Sir, when you have mentioned about the top line in the vicinity of 2,500 to 3,000, we are talking on a stand-alone basis or on the consolidated platform?
- K. Venkatram Rao:** That is on a stand-alone basis only.
- Saket Kapoor:** Okay. So, what should be the likely number on a consolidated basis?
- K. Venkatram Rao:** Consolidated basis, maybe, because now, maybe, you can say, 400, 500 crore extra will come there, sir.
- Saket Kapoor:** Okay. So, at the best-case scenario -- yes, sir, please. Hello?
- K. Venkatram Rao:** Yes, sir. Carry on, sir.
- Saket Kapoor:** Yes, yes. So, at best-case scenario, we will fall flat in the top-line part as on last year's numbers are, when we compare it with last year's numbers. So, it was 33, 59. Last year, we are really closer to that at best, depending upon how the intake pipeline looks like going ahead. That should be the understanding.
- K. Venkatram Rao:** Sir, that's why we told that, based on our existing order book, we can reach to that extent, between 2,500 to 3,000 crores. But based on when we are expecting these projects, these projects will come actually and they will start contributing from end of Q3 or Q4. Then, we can target a little bit more. But that visibility we can get when we receive the LOA. So far, we have not

received the LOA. That's why we could not really predict it. If there was spillover and it's still over the next year, then definitely, this year, we cannot. We will end between 2,500 to 3,000.

Saket Kapoor:

Okay. Sir, secondly, on the irrigation part, I think so, the Ken Betwa project DPR is also there, and some order changing has happened. So, have you participated in this, out of the order book? Do we have any portions for execution for the Ken Betwa project also?

K. Venkatram Rao:

Sir, we are not. But definitely, we want to participate. So far, we have not looked at that. Interlinking of projects are coming. That is coming in the southern part also. So, we are definitely really looking forward to participate in the project, which is backed by the central government like that, like interlinking of projects. So, we are looking at that.

Saket Kapoor:

Okay. And sir, secondly The only point was in the pipeline project, do we have exposure to the Jal Jeevan scheme, wherein our receivables or the execution phase has slowed down, if you could comment? And also, the last point was on the different payout ratios, sir. Being an investor, I would like to understand how do we conclude with a different payout of INR0.25 per share on a consistent basis for the last 4 years. These are the two my concluding questions. I'll join back.

K. Venkatram Rao:

Sir, in respect of this pipeline project, definitely, this is backed by the Amrit scheme of the central government, and their central government will fund 25%, and 75% of the state government. So, we are not seeing there any delay as such. We have put the bill, and we have received the money as such. So, let's say, as of now, we are seeing any funding constraint.

So, as far as dividend payout is there, definitely, because this is our practice is that actually, what are the accumulated results are there. Definitely, we want to intact our cash for our future expansion, like that we are getting some mining projects, and we are also looking for some BOT Toll assets also, if we can participate.

So, definitely, whatever the money we want to keep in the system, to put to enhance our capability and do the diversification in the other sectors. So, that's why we we maintain the same dividend ratio as of now. But future, definitely, based on company performance and future cash flow, we definitely look to consider that, your point, sir.

Saket Kapoor:

Thank you, sir. I'll join the queue for my follow-up.

Moderator:

Thank you. The next question is from the line of Jainam Jain from ICICI Securities. Please go ahead.

Jainam Jain:

Thank you for the opportunity. So, my first question is, why did we have such lower margin in this quarter compared to previous quarter, and what kind of margins are we looking going forward?

- K. Venkatram Rao:** Hello, sir. The reduction in EBITDA is explained because we basically now whatever our -- there is some disturbance...
- Jainam Jain:** Hello. Am I audible right now? Sir, I hope you got my question. Or should I repeat?
- K. Venkatram Rao:** No, no. We understand there is some background disturbance was there that we are telling. If you kindly mute your line, then we can explain better. In respect of this reduction in EBITDA, that already we explained that the reason is being that now whatever our existing order book is there for almost all projects, except the new one, all projects is almost frag end. Almost we have completed, almost 90% to 95% of that project. So, if we are executing in that project, because projects will be in the last phase, then we could not be able to generate that much of revenue. Accordingly, expenditure will be a little higher.
- So, that's why, because due to this frag end of the project, we could not be able to get the, what are the EBITDA we are adjusting. But definitely, as always, we are telling that between 13% to 14%, what is our guideline, definitely we are there and we will achieve that. As far as future margin is concerned, so existing order book will give the same between 13% to 14%.
- And when we are adding the new projects, like in MSRDC or mining or other sectors, so definitely, and if we are getting some good irrigation project, because irrigation projects have very better margin. So definitely in that case, it will be improved in the future.
- Jainam Jain:** Okay, sir. And second question is, what is the kind of bid pipeline which we are seeing for FY '26 and what sort of total order inflow which we are looking to add in our order book?
- K. Venkatram Rao:** So, this year, we are targeting somewhere between INR8,000 crores to INR10,000 crores. We are targeting to add in our order book. And as the pipeline is already, sir, has explained, for NHAI project, INR30,000 crores to INR40,000 crores, NHAI projects are there that we want to bid actually. And the state government projects also, they are between INR10,000 crores to INR15,000 crores are there. So, plenty of orders are there definitely, but we have to bid and we have to get it, because due to this aggressiveness, we are really seeing that how we can get these orders.
- Moderator:** Thank you. The next question is from the line of Bhavin Modi from Anand Rathi Financial Services. Please go ahead.
- Bhavin Modi:** Yes. Hi, sir. Thanks for giving the opportunity. So, first thing, I wanted to know the breakup of the revenue contribution. So, how much is the road hybrid, irrigation, EPC? So, can you just help me with the percentage for the Q4?
- K. Venkatram Rao:** Sir, Q4, actually, that's around 46%, sir.
- Bhavin Modi:** Okay.
- K. Venkatram Rao:** Irrigation, 19%, road EPC 30%.

Bhavin Modi: 30?

K. Venkatram Rao: 30,. And back-to-back is around 4%.

Bhavin Modi: Yes. So, second thing I asked, sir, since there has been like a negotiation and doing finalization going right for the monetization of the upcoming assets. So, now I think the management must be clear with the tentative consideration that will be received in the timeline. So, can you just help us with what is the consideration that we are looking for?

K. Venkatram Rao: So, the consideration aspect, we are just that the final discussion is going on. So, right now, sir we cannot. So, definitely, it is in a very advanced stage, and almost all discussion has happened. And so, final one, two sittings is only required, to do the final negotiation. So, we expect that by maybe by mid of July we should be able to conclude that transaction and sign the SOP.

Bhavin Modi: And so, third thing, as you mentioned, now we are looking for the diversification of the order book. So, are you looking for any like a partnership or something like that for projects like, example, railways or airports or river interlinking projects? So, there are many opportunities coming there.

And even in case of suppose if our focus is on road projects. So, are we like, you know, looking for some complex projects, you know, where there's a tunneling or elevated structures are involved. So, can you just help you know, how the management is now looking to ramp up or diversify the order book?

K Jalandhar Reddy: Yes, sir. We are pursuing all the opportunities, sir. Actually, we have started a JV with the NCC for some certain projects. And there are some mining projects we have started with Sushee and Harsha. Wherever we are non-qualifying, sir, we have tunneling, we have Patel Engineering is ready with us to go with the, for the joint ventures. So, we have wherever the new sectors that we would like to be, we have opening floor for all that, because, you know, now that road sector is a bit heated up.

So, we would like to go other sectors and recoup our order book and then once the road sector becomes okay, then we would probably even go in the roads also, kind of that which we are planning. So, for which we are tunneling, we are open in the metros, we are open in the flyovers projects in various cities, we are open in irrigation projects, we are open in pump house, powerhouse projects, all that we are pursuing, sir. Then, you know, recently, for mining also, we are severely pursuing for tenders. So, hopefully, I think, sir, down the line, 2, 3 months down the line, we shall have enough orders in the hand. That's what we are expecting.

Moderator: Thank you. The next question is from the line of Mudit Bhandari from IIFL Capital. Please go ahead.

Mudit Bhandari: Hi, sir. Thank you. If you look at standalone balance sheets or receivables, as well as other current assets or other financial assets have significantly expanded. So, is there has been any declassification or any reason why other current assets, other financial assets have expanded?

- K. Venkatram Rao:** So, basically, other finances, as the unbilled revenue was there, in last year, it was around INR497 crores and this year it becomes to INR 968 crores. So, basically, this is the reason that's why other financial assets has gone up.
- Mudit Bhandari:** And this is majorly of irrigation?
- K. Venkatram Rao:** Yes, basically of irrigation and trade receivables have actually gone down from INR1364 crores and now it is 1244 crores.
- Mudit Bhandari:** Okay. Got it. And secondly, in terms of the projects which you are highlighting from NTPC, either Singareni or Western Goldfield or either the mining area. So, whether we are looking in a sort whether we will be doing only EPC work or any other arrangement basis?
- K. Venkatram Rao:** These are the EPC work, MDO like mining development operation.
- K. Jalandhar Reddy:** And EPC kind of operation projects and MDOs both we are pursuing because wherever the margins are important. So, we will focus to have margins only.
- Mudit Bhandari:** Okay. Got it, sir. Thank you.
- Moderator:** Thank you. The next question is from the line of Vasudev from Nuvama Wealth. Please go ahead.
- Vasudev:** Thank you for the opportunity. So, sir, circling back again on the Kerala project issue. So, how long do you think this ban can extend because there are a few media articles which say that the ban is for one year. And even on our intimation to the stock exchanges, we have mentioned that it is one month or the conclusion of investigation whichever is later. So, what is the exact extent we expect this ban to be and do you think this can extend to the parent company as well?
- K. Jalandhar Reddy:** Actually, sir, that the notice clearly says that 15 days notice is given for us to show cause, telling which why we should not debar you for one year and then some small penalty is there, 0.5% of the value. Then these, actually we have given the confident, we are very confident that we have not done any mistake in there. It's a complete waterlogged area where the technically, because of the water loggedness somewhere in between the beneath the foundation, that particular area has been submerged.
- It has been settled. So, there because of that under construction only, it is not operated or we have not given that road for any operation also because, see this everybody says that in the show cause notice, they have used the word you have compromised the safety of the public. We said it is not operated, it is not even open for the traffic actions. That's what we have said.
- And we have confidently replied with our designs, whatever the designs which we were envisaged before DPR or before exhibition. I think all the approvals, whatever we have taken from the concerned authorities and concerned IE, independent engineers, all that we have kept forward.

So, with all that, I think this issue should be settled with NHAI so that we will not have any further course of this thing, but however, we can even have an option to go legally to protect ourselves from all this.

Vasudev: Okay. Sure, sir. That is helpful. And for second question, just a few bookkeeping questions, are capex numbers execution that we have done in FY25 in the pipeline and the irrigation project and outstanding receivables from the Telangana government?

K. Venkatram Rao: The capex we have done for the year is INR22 crores and the execution for the irrigation is for the quarter it is INR152 crores, it is 19%.

Vasudev: Okay. And sir, in the pipeline projects and the Telangana outstanding?

K. Jalandhar Reddy: Pipeline projects, we have done INR30 crores of turnover. And one more, what do you asked?

Vasudev: Outstanding from the Telangana government?

K. Jalandhar Reddy: Including unbilled revenue, it is INR1,200 crores.

Vasudev: Okay, sure sir. That is it from my side. Thank you.

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

Dheeraj: So just one question. Can I get the adjusted revenue EBITDA and PAT for the full year FY25 adjusting the arbitration claim and the other things?

K. Venkatram Rao: For the full year?

Dheeraj: Yes for the full year and the current quarter if possible?

K. Venkatram Rao: Current quarter, there are no oneoff the items, but for the full year, it is 15.94%.

Dheeraj: EBITDA margin and the revenue, sir?

K. Venkatram Rao: Revenue, it is INR3,234 crores.

Dheeraj: PAT number for full year adjusted?

K. Venkatram Rao: PAT number, adjusted number, it is INR339 crores.

Dheeraj: INR339 crores. And sir, what you said for the EBITDA, sorry I missed that, adjusted EBITDA?

Dheeraj: Adjusted EBITDA for the same thing?

K. Venkatram Rao: You can say 15.94%.

- Dheeraj:** Okay. Thank you, sir.
- Moderator:** Thank you. The next question is from the line of Balasubramaniam from Arihant Capital. Please go ahead.
- Balasubramaniam:** Actually, I am Bala from Arihant Capital. Sir, my first question is regarding what percentage of the current receivables is over 180 days and how we are mitigating the counterparty risks, especially from the state government projects. I think INR 921 crores is on the receivable side?
- K. Venkatram Rao:** Basically, most of the receivables are from the irrigation only, the pending receivables, which is almost INR500 crores. And the rest of the money is from our SPVs only, HAM SPVs, that we can draw money at any time. And on the irrigation receivables, it is already intimated that we are following up with the authority and we may receive in near future.
- Balasubramaniam:** Okay sir. And, sir, like any specific reason for delayed progress in your HAM projects, especially in KNR Sriranganatha and KNR Kaveri Infra?
- K. Venkatram Rao:** There is no delay in the execution. We have received the appointed date at a later point of time because of the ROW issues. Because the authority took their own time to issue the -- take the ROW and issued the appointed date at a later time. There are no delays because it has been, we have received in the previous month only, we have started our execution.
- Balasubramaniam:** Sir, like what kind of impact or like from FY25 union budget on EPC tendering volumes in irrigation and highway sectors?
- K. Venkatram Rao:** EBITDA margin.
- Balasubramaniam:** No, sir. I am asking this union budget on EPC tendering volumes in irrigation and highway sectors?
- K. Venkatram Rao:** Sir, this is definitely, sir, this infrastructure sector has to grow actually. So, there is a lot of opportunities are there and government is definitely pushing that, but due to now NHAI has made the policy that until the clearance, they are not going to bid the project. That's why bid is getting postponed. But we expect that definitely there is a lot of opportunities there in this sector.
- And, but there are some delays actually due to this election and decision making, but now we expect that next, this year onwards, it will definitely pick up actually. And as we told that government is now planning from two lanes to four lanes actually, almost 30,000 kilometers, that outlay of around 8 lakh to 10 lakhs crores. So, that's why there is a lot of opportunities are there, but we have to just wait actually when it is coming and we have to take it.
- Balasubramaniam:** Okay, sir. Thank you.
- Moderator:** Thank you. The next question is from the line of Parth Thakkar from JM Financial. Please go ahead.



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Parth Thakkar: Sir, hi. Thank you for the opportunity. Just wanted to know what is the current outstanding irrigation revenue?

K. Jalandhar Reddy: What is outstanding in irrigation?

K. Venkatram Rao: Irrigation, for receivables it is around INR790 crores is there.

Parth Thakkar: Okay. And are we trying to monetize any of our HAM assets and if we do, what would be the multiple we would expect?

K. Venkatram Rao: Yes, definitely our four assets actually. We are in the process of actually financing the share purchase agreement. And as you told that by mid of June actually, we will try to close it. So and that negotiation is going on actually. At this stage, we cannot disclose it, but definitely we want to monetize these our four assets.

Parth Thakkar: Okay. Thank you. Those are my questions.

Moderator: Thank you. The next question is from the line of Jainam Jain from ICICI Securities. Please go ahead.

Jainam Jain: Thank you for the opportunity again. Sir, what is your mobilization advance as of now, as of March 25?

K. Venkatram Rao: Mobilization advance is around INR20 crores.

Jainam Jain: Okay. And what about retention money?

K. Venkatram Rao: Retention money is INR846 crores.

Jainam Jain: 846. Okay. And so my second question is what is the total executable order book as of now in a book out of total order book of INR4,000 crores? And like, is there any slow moving orders going on?

K. Venkatram Rao: No, sir. INR4,000 crores is now net executable order book is there, sir.

Jainam Jain: And is there any slow moving orders as of now?

K. Venkatram Rao: No, sir. All are good order book.

Jainam Jain: Good progression. Okay. And sir what sort of arbitration claim are we looking going forward in FY26 and 27?

K. Venkatram Rao: Sir, we have received the award from some of the project, but that counterparty has gone to the court. So, definitely this year we may not know how much this is going to come because it will take at least four to five years to close that. So, now basically this Odisha, one of the – Arunachal Pradesh we got the award of around INR319 crores of the project, but that has gone to the court . So, it will take at least four years.

- Jainam Jain:** Okay, sir. That answers my question. Thank you so much.
- Moderator:** Thank you. The next question is from the line of Parikshit from HDFC Securities. Please go ahead.
- Parikshit:** Yes, sir. Hi. So, in this case where the show cause notice has come, so we have to correct the bridge where there is a damage? So, I want to understand what could be the impact and whether it is covered in our insurance?
- K. Jalandhar Reddy:** Yes, sir. Actually, it may not get covered in the insurance. May not or we have intimated and that they are examining the case. And the main cause of failure is because of the poor subsoil below the foundation. Actually, we cannot say that because while working the foundation was very good.
- But somewhere between the layers of the earth below the foundation, much below the foundation, there could be some pools or some tapped, what you call slushy kind of soil in between layers. So, that has caused this thing. It is nowhere intentional because proper approvals were taken and total examination of the foundations were done during the earthing because subsoil investigations were also done.
- But not in this location but a little bit away from that. But in that, I think in that particular area, we couldn't tap anything of that kind of sound that it is having some weaker foundation kind of results we are going to get. So, accordingly the designs and all were made. Strata Geosystems, one of the best RE Walls agency was done the work for this actually.
- And they have designed and that design was also verified, approved by the concerned authorities. And then after that only the execution was taken place. So, as such we didn't see anything. It's a kind of accident only.
- We also treat this as an accident only. But however, getting through insurance and all, maybe that will be after their examination and their concerns only we will be able to know. But you know, as far as NHAI is concerned, now because of that situation, there is a local demand for making a viaduct. So, viaduct is almost costing about say INR30 crore nearby. If the length is increased a little bit in length, it may go up.
- But otherwise, INR25 crores to INR30 crores is a rough estimate what we have made. I think I am saying around INR30 crores. So, that INR30 crores impact will be there. And it is a change. Actually, you know, the proposals, you know, when the DPR consultant who made the DPR, he has proposed RE wall on the service road side, where we have observed some water loggedness on the service road side and we have done retaining wall instead of RE wall. RE wall cannot be done also.
- But main carriageway side, we have seen a big clarity was there during that time. So, that time we have done RE wall only. So, maybe that somewhere in the subsoil, there is a weakness, but what I told you earlier, that's because of this.

But we do not know any sort of, again, file investigation and again, designs are going on. So, I think viaduct will be a proper solution so that, future also, we should not have any doubts. Because, we have to maintain this road for another 15 years.

And if we have any certain doubts and it's and butts and things will not work. So, what we are also proposing with NHAI that to go for viaduct and solve this problem once for all, so that in the future, we shouldn't see anything, anything kind of that.

Parikshit: Okay. And this is the ban...

K. Jalandhar Reddy: Is around INR25 crores to INR30 crore proper estimation.

Parikshit: Got it. And the second question is about the ban period for you. Sorry, I missed it earlier. So, you were saying it will be one month or the period of investigation and it will not be for one year, which was reported by media, right?

K. Jalandhar Reddy: Yes, actually, we have to immediately close. Actually, we have closed ourselves that we have our designs are at work now to prepare that viaduct proposals. And NHAI is we are writing a letter for NHAI with our proposal. NHAI has asked you come up with your proposal also. So, since they're asked for our proposal, then we are bringing up all these matters. And since it is a original contract is to go for RE Wall and now we are going for a viaduct.

It's a complete contract and it is a complete change from the existing scope. Okay, I may not take money for whatever I have done. But the thing which I'm going to do, it's a new proposal and it could be under change of scope.

But however, we will deal that with NHAI. Rather, if they don't pay, we may have an option to go for arbitration also. But anyhow, we are hoping that the problem should be solved and the public should be off with the problem.

Parikshit: Okay. And just on the revenue guidance, last thing, sir. So, what kind of guidance for MSRDC is there in FY '26? What kind of revenue or growth you're looking at or the growth you're looking at?

K. Venkatram Rao: Actually, as I already explained, because right now, based on our existing order book of INR5000 crores, we can execute between INR2500 crores to INR3000 crores in our existing order book. And further, based on when we are issuing this order from MSRDC or other things, based on that. So, that's once we receive the LOA or we receive some like definitive LOA like that, then only really we can comment on our order book. But based on our existing order book, we can execute between INR2500 crores to INR3000 crores.

Parikshit: Got it. Okay, thank you.

K. Venkatram Rao: Thank you.



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Moderator: Thank you. We'll take our last question from the line of Sharvan Shah from Dolat Capital. Please go ahead.

Shravan Shah: Yes, just two things, sir. capex for FY '26 will be given that if we receive this INR8000 crores - INR10,000 crores and maybe in the new segment, what kind of a capex, maybe not this year, maybe in FY '27, do we have to incur a decent capex?

K. Venkatram Rao: Definitely, sir. based on existing capex, we can take care of our existing and maybe we can use 50% of this capex in our new project. But when we receive new projects like MSRDC or some mining or some other things, definitely capex requirement will be there, maybe not '26.

Shravan Shah: Sorry, sir, 20%. I missed the last line.

K. Venkatram Rao: Maybe not in '26, might be in '27, actually we have to incur a capex for these new projects.

Shravan Shah: Okay, so '26 would be the similar kind of a INR20 crores, INR30-odd crores, but FY '27 can see maybe a INR100 crores, INR200 crores kind of a capex?

K. Venkatram Rao: Yes.

Shravan Shah: Okay, and lastly, sir, in terms of the bonus, I think you mentioned some INR3 crores, INR4 crores kind of a, so a total put together in FY '26, how much bonus are we likely to book?

K. Venkatram Rao : Bonus that INR3 crores what I think these are, Chittoor-Thatchur that have come in time, but other than these...

K. Jalandhar Reddy: I think it is true, actually that, Chittoor-Thatchur project, it is true, approvals have come in time and we have bonus.

Shravan Shah: Sir, this INR3 crores bonus will be booked -- in the first quarter of FY '26, this quarter or it will be in 2Q?

K. Venkatram Rao: It should receive from the NOC, which is due in first quarter.

Shravan Shah: Okay, got it and all the best for order inflow. Thank you. Thank you.

Moderator: Ladies and gentlemen, in the interest of time, we will take this as our last question. I now hand the conference over to the management for closing comments.

K. Venkatram Rao: Thank you all for joining us on this call. Please reach out to our Investor Relation Consultant, Strategic Growth Advisors or ask directly, should you have any further queries. We can now close the call. Thank you.

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