KNR Constructions Limited.

Date: 20th August 2026 Ref: KNRCL/SD/2026/1099&1100

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
Ref: Regulation 30 of SEBI (LODR) Regulations, 2015

We refer to the above captioned subject, we herewith submit the transcript of the earnings call held on Friday, 14th August 2026 for the Q1FY27.

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

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

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"KNR Constructions Limited

Q1 FY27 Earnings Conference Call"

August 14, 2026

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchanges on 14th August 2026 will prevail.

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

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

Moderator: Ladies and gentlemen, good day, and welcome to KNR Constructions Limited Q1 FY27 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 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 a 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 star then zero on your touch-tone phone. Please note that this conference is being recorded.

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

K. Venkata Rama Rao: Good morning, everybody. Thank you for joining us today on the call to discuss the financial results for Q1 FY27. Along with me, I have Mr. K. Jalandhar Reddy, Executive Director; and Strategic Growth Advisors, our Investor Relations Advisors. We have uploaded results and investor presentation on 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 post which we will have a question-and-answer session. The road sector is currently going through a phase of the recalibration with the project awarding remained subdued in the initial month of FY27, following the softness witnessed through FY26.

During the quarter, NHAI awarded approximately 107 kilometers of the project, while the execution also moderated to around 638 kilometers. That said, the government continued to back the sector with a strong spending commitment for FY27. The union budget has allocated close to INR3.1 lakh to the Ministry of Road Transport and Highways, and the road sector capex outlay is up around 8% after two relatively subdued years.

This gives us confidence that the groundwork is in place for awarding activity to pick up, even though tendering and award has been slower to come through in this first quarter. NHAI has also outlined a revised FY27 plan to award 54 highways and expressway project covering through 2,444 kilometers worth of combined INR1.8lakh crores across 13 states so that the near-term awarding environment remains measured. This identified pipeline gives us reasonable visibility for coming quarter.

Overall, while the sector is seeing some moderation right now, we remain positive on the awarding outlook for the rest of the year and believe that underlying spending pipeline is healthy. Beyond roads, we are also seeing meaningful opportunities emerging across railways and urban mobility, which can provide additional avenues for growth and diversification.

The government continue to focus strongly on the railways capacity expansion and modernization with a record of INR2.93 lakh crores of the capital expenditure allocated to the Indian Railway for FY27 going towards capacity augmentation, multi-tracking, freight corridors, safety, station redevelopment and better rail connectivity. This is creating a healthy pipeline of the project across the railway infrastructure ecosystem

The outlook is particularly encouraging for Andhra Pradesh, which has received a record INR10,134 crores railway allocation for FY27 and the operationalization of South Coast railway zone, which further strengthen the focus on rail infrastructure in the region and support new project execution. We see this an opportunity to gradually diversify our order book into the railway civil works, track infrastructure and related works.

With this strong government spending and a growing pipeline across the southern region, railways are gaining increasing importance in our medium-term business mix. Urban mobility is another segment that continues to see healthy activity with the government supporting the expansion of metro and mass rapid transit systems..

New corridors and extension are being planned across key cities, creating a sizable pipeline across elevated corridors, viaduct stations, bridges and related civil work. As part of our medium-term diversification strategy, we are actively evaluating railway and metro projects as they come up for tender though our focus remains on selectively pursuing projects where we see adequate execution visibility, attractive returns and good fit with our existing - capabilities. Another emerging opportunity is the battery energy storage systems segment, which we are expecting significant growth over the coming year.

Overall, we believe that long-term infrastructure opportunity in India remain intact, although the composition of growth is evolving. Railway will continue to remain our core opportunity, but we see the next phase of growth becoming increasingly diversified across expressway, railway, urban mobility, mining, irrigation, logistics and emerging areas such as energy storage. We remain positive on overall opportunity and we will continue to focus on building a strong and diversified order book while maintaining our discipline on the project selection and returns.

Now coming to the key updates of the company. The percentage of physical progress as on 30th June 2026 for HAM project is as follows: Ramanattukara to Valanchery, 100% completed; Valanchery to Kappirikkad, 100% completed; Magadi to Somwarpet approximately 91.35%; Marripudi to Somvarappadu approximately 86.03%; Mysore to Kushalnagara, Package 4, around 20%; and Mysore to Kushalnagara, Package 5, around 18.28%. As of 30th June 2026, the company has already invested INR595 crores, out of INR805 crores revised equity requirement for all the existing HAM projects.

The additional equity requirement of INR210 crores to be infused as INR125 crores and INR85 crores is in FY27 and FY28, respectively. You can refer to Slide number 26 of the investor presentation for detail on each HAM project. The company may require further additional equity investment of around INR510 crores for Chennai ECR and Telangana NHAI HAM projects.

During the quarter, the company, along with its JV partner, Sushee Infra & Mining Limited, received a letter of acceptance from South Eastern Coalfield Limited for a coal mining project at Kusmunda in Chhattisgarh. The project has a total value of INR3,361 crores, excluding GST and is to be executed over a period of eight years. As part of the share purchase agreement with

Indus Infra Trust, the company completed the transfer of its 100% stake in KNR Ramagiri Infra Private Limited and KNR Palani Infra Private Limited.

In KNR Ramagiri, the company has invested INR83 crores in SPV through equity and subordinate debt and received a total consideration of INR227 crores from the purchaser. And for KNR Palani, the company has invested INR64 crores in SPV through equity and subordinate debt and received a consideration of INR295 crores, including INR90 crores of cash surplus as EPC claim from the purchaser.

On the credit front, CRISIL rating reaffirmed the company's long-term bank facility rating at CRISIL AA stable and short-term rating at CRISIL A1+, reflecting the company's strong credit profile.

Now coming to the order book position. As on 30th June 2026, the company total order book stands at INR8,667 crores. This order book does not include the recently won 2 HAM project and mining project. Including the HAM project and the mining project, the company's total order book stands at INR15,234 crores. This is divided into 38% for the road sector, 11% for the irrigation project, 6% for the pipeline project and 45% for the mining project.

Client-wise diversification is 71% of the order book is from the third-party client and balance 29% from the captive HAM project. Third-party order book percentage is also split between state government contract is 24%, whereas 46% for the central government, and balance 1% from the other private party.

The current order will be executable over a period of 3 to 3.5 years, excluding the mining project. In this line, the company is targeting order inflow of range of around INR8,000 crores to INR10,000 crores during FY27, comprising a healthy mix of NHAI projects, irrigation project and other state government infrastructure works.

Now let me take through the Q1 FY27 standalone financial performance first, followed by the consolidated performance. The revenue for the quarter ended stood at INR436.7 crores. EBITDA for Q1 FY27 stood at INR65 crores and EBITDA margin is 15%. Net profit for the quarter was INR282.3 crores.

Now coming to Q1 FY27 consolidated financial performance. The revenue for the quarter stood at INR587.9 crores. EBITDA for Q1 FY27 stood at INR96.4 crores and EBITDA margin is at 16.4%. Net profit for the quarter was INR80.7 crores.

Now moving on the stand-alone balance sheet. The company continued to remain in a strong balance sheet. The working capital days stood at 133 days compared to 78 days as of March '26. The consolidated debt as of 30th June 2026 stood at INR1,975 crores as compared to INR2,438 crores as of 31st March 2026. The net debt to equity on a consolidated basis as of 30th June 2026 stands at 0.9 as compared to 0.49 as of March '26.

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

Moderator: Thank you. First question comes from the line of Niteen S Dharmawat with Aurum Edge LLP. Mr. Dharmawat Please go ahead. Mr. Dharmawat, please unmute yourself and go ahead. Since there's no reply from the line of Mr. Dharmawat, we'll move to the next. This is Vaibhav Shah with JM Financial. Please go ahead.

Vaibhav Shah: Sir, on the execution front, how do we see the entire year for FY27? And what could be the growth in FY28?

K. Venkata Rama Rao: FY27 we are targeting because you know that we did last year around INR2,000 crores. So this year, definitely, we will cross more than INR2,000 crores, but maybe you can say 10% to 15% more. So maybe around INR2,200 crores to INR2,300 crores will be FY27 because whatever the execution is, it's going to start in our ECR Chennai project and Telangana, Mahabubnagar project in the Q3 and mining project of Kusmunda Chhattisgarh, that is going to start next month.

So FY27 will be this. And as far as FY28 is concerned, definitely, that year should be the good year because whatever the projects are there, projects will completely start in FY28. So FY28 should be more than actually INR3,000 crores, we will try to achieve.

Vaibhav Shah: And for the two new HAMs, when do we expect the AD?

K. Venkata Rama Rao: They will start in Q3, that's right.

Vaibhav Shah: We expect AD- in Q3, the ADs for two new HAM.

K. Venkata Rama Rao: Yes, yes. Q3, we are expecting AD.

Vaibhav Shah: And the older mining project, last year's mining project?

K. Venkata Rama Rao: So last year, mining project in the Chhattisgarh. So this project has got only the forest clearance, one stage only cleared. The stage clearance two has not come. So it will take further around 8 to 10 months to start the project. But whatever the project in Kusmunda, Chhattisgarh recently, we got. That project is going to start in within one month.

Vaibhav Shah: The older one will start in FY28 only probably?

K. Venkata Rama Rao: For that FY28 only

Vaibhav Shah: Okay. So how is the execution going on in the water pipeline order? And what revenue we target for next two years, FY27, FY28?

K. Venkata Rama Rao: Water pipeline project initially, there were some challenges in that project, but that project is doing good. So order book is left out around INR830 crores is there. So this year, definitely, we are targeting to do somewhere around INR300 crores to INR400 crores in this year and balance in the next year.

Vaibhav Shah: For year as a whole, what margin are we targeting for FY27 and FY28?

K. Venkata Rama Rao: You have seen the Q1 as well as Q2 also, the margin will be the same only. But definitely from Q3 onwards, the execution of this our HAM project and our mining project will start. So Q3, Q4 margin should be good. It will be somewhere range of around 11% to 12% EBITDA will be there in Q3, Q4. And definitely in next year, , it should be better because once all projects will be in the full operational capacity, then definitely once turnover will be more. So corresponding, our EBITDA will be more, but average around 12% to 13% of EBITDA we can achieve.

Vaibhav Shah: In next year?

K. Venkata Rama Rao: Yes.

Vaibhav Shah: And for FY29, it would be something around 9%, 10%?

K. Venkata Rama Rao: 9%, because Q3, Q4 will be only around 10% to 11%. So average will be around, you can say, 8% to 9% will be there.

Vaibhav Shah: Okay. Sir, lastly, on the irrigation recoveries, so what are our expectations? How do you see those coming down? Do we have any talks recently with the ministry?

K. Jalandhar Reddy: Yes, sir. The recent talks, this week developments we speak about, there had been a positive discussion with the Finance Ministry as well with the Irrigation Department because of the lesser rains that are happening and expecting huge crisis of water into Hyderabad city kind of thing. And our project, one of that Package 4 stands very suitable for them to pump out some water in emergencies and all that. So they are now considering to speed it up actually. So for that, they thought they will pay in installments. They even asked us to continue for a speedy working up.

So I think -- earlier also, this discussion was done by CMO, but right now, they are very serious. They are talking about installment payments, they said every month, they will be paying us around INR80 crores, INR90 crores kind of arrangement, which they said within, I think, almost INR650 crores is outstanding on that project. And again, there is some RE, the revised estimate is also there, which is more than INR700 crores.,

So I think this INR650 crores part, they said they'll be paying in six, seven installments. Maybe they have spoken about 10 installments, but we said it's not possible if you go for 10 installment, it will run in a year time, and we'll be losing a lot of money towards the interest payments only because the delays have been so much and further delay is not acceptable to us.

So they said that they will try to adjust in five to six installments. I think some positive news if they pay first installment, then definitely, we will see that something is happening on that front,. So again, some positive discussion is there that's -- which I'm sharing. Later, we have to see what happens. But I think this time, they are serious. This time, they are serious, I think.

Vaibhav Shah: So this year, we can expect something around INR600 crores from the government in FY27?

K. Jalandhar Reddy: INR600 crores. Yes, actually, but they said about, say, five, six installments, they were talking about the INR650 crores only. And that RE concerned, I have a submission that there is a committee -- the technical committee has cleared that the revised estimate has to be sanctioned by the government. So I think that is constituted by the same government itself. So they have decided that this is a genuine thing and it could be paid. So I think it needs a Finance Ministry approval as well as Irrigation Ministry approval after that committee, then they should make a G.O., then it will come into for payment. So that may take five, six months process. So I think once they get over with these payments, they will start doing that also, can have that.

Vaibhav Shah: At least INR500 crores.

K. Jalandhar Reddy: Right now only this such news is with me, sir.

Vaibhav Shah: Can we expect INR400 crores to INR500 crores coming in this year?

K. Jalandhar Reddy: Yes, of course, I'm expecting.

Vaibhav Shah: Okay. And sir, lastly, out of the irrigation book of INR 1,685 crores as of June, what would be the unbilled portion where revenue has already been recognized?

K. Venkata Rama Rao: Around INR825 crores is there.

Vaibhav Shah: INR825 crores recognized already.

K. Venkata Rama Rao: Yes, yes.

Vaibhav Shah: Okay. And sir, what would be the HAM debtors as of June?

K. Venkata Rama Rao: HAM debtors as of June is INR178 crores.

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

Moderator: Thank you. Next question comes from the line of Shravan Shah, Dolat Capital. Please go ahead.

Shravan Shah: Hi, sir. Sir, a couple of questions.

K. Jalandhar Reddy: Good morning.

Shravan Shah: Good morning, sir. How are you sir?

K. Jalandhar Reddy: Good sir. Please go ahead.

Shravan Shah: Yes. Sir, couple of things. So first, what is the value of L1 currently? Second, how many value of projects that we have bidded and where bid is yet to open?

K. Jalandhar Reddy: Sir, around INR1,500 crores, we have L1, sir, announced, but I think LOA is yet to issue. A few are in Chennai and few are in Hyderabad City actually. So apart from that, pipeline we have submitted a couple of bids. I don't know, I'm not very sure about things what is happening there. Yes, sir.

Shravan Shah: Okay. Second, sir, in terms of capex in Q1, how much we have done? And now this -- for Kusmunda, mining will also start. So overall, in both the mining, how much capex we need to do? And in FY27, how much and in FY28, how much we are planning to do the capex for that?

K. Jalandhar Reddy: Yes, sir. Actually, the first Banhardih mine, we speak about, sir. There some land acquisition is still going on, sir. I think we expect around five months to six months that can happen for the land acquisition. So, after that, I think we'll have to deploy equipment and all that. There also, we'll be needing about, say, INR300 crores, INR400 crores roughly the equipment will be required.

Second, I talked about the Kusmunda mine, which is now on execution. I think we have been issued LOA one and a half months back. And now they are insisting us to start the work, but they have given that 100-tonne dumpers the minimum capacity to be started with the OB removals. So, those equipment, which we don't have, we have started procuring them.

Right now, I think appointed date is expected in first week of September. In fact, they are insisting us to take from August itself, but August, in Kusmunda, there's a big rain that is happening. I think non-stop rains are happening there. We are trying to prepare that road widening and all because that haul road, we call it as haul road. Haul road is not prepared.

So, that widening we are doing because for 100-tonne dumper movement will be needing 30-meter wider road, is required. That we are unable to do because daily there is rain going on. So, then we are refusing to take the appointed date because you cannot insist us to take an appointed date in the rainy season and ask us to do some progress by which we will fall into issues. So, -- which they are considering, I think first week, they are talking about appointed date to happen.

Most probably, I think September, first week onwards, it should go dry. We are also expecting that. So definitely, I think that will come into operation from first, second week of September, sir.

And equipment also, we have purchased enough. I think around INR500 crores to INR600 crores equipment need to be deployed. Certain, we are planning old. That's why I'm saying that vague word between INR500 crores and INR600 crores. So certain old equipments can be used for coal transportation and all, so which we are trying to use.

Shravan Shah: So total capex for Kusmunda is INR500 crores to INR600 crores or INR500 crores to INR600 crores dumpers we are saying?

K. Jalandhar Reddy: No, sir, everything, actually, it's put together. There is -- we need surface miners, dumpers, excavators and then dozers, haul road preparation and maintenance of the road will be used by the graders and supporting other equipment like lighting equipment and then the other, what you call, coal dumpers and then surface miners, all that put together, we are talking about.

Shravan Shah: Okay. So, both put together close to kind of INR900 crores, INR1,000 crores capex is there. So, in Q1, how much, sir, we have already spent and for full year FY27, how we look at in terms of capex for this?

K. Jalandhar Reddy: Actually, sir, Q1, we spent nothing. I think Q2, these things are coming up. I think almost around INR200 crores, INR250 crores, we have already given orders. Rest of it, we'll be giving it because the land is not fully available there also. But in available land, we are trying to start, around 46 hectares they are supposed to give us, which will run our show for one to one and a half years.

So, meanwhile, that Risdi village is there. Risdi village need to be acquired. If you acquire Risdi village in one year time, definitely, we'll be able to make a clear stretch for another two, two and a half years. So, it goes like that, sir, actually.

Shravan Shah: Okay.

K. Venkata Rama Rao: Q1, we did only INR14 crores of the capex.

Shravan Shah: Okay. Venkat, sir, so overall, if we have to build in, in terms of number for capex, so for FY27, FY28, including this mining and others, how much capex one can build in? So, accordingly, the question is how one can look at the depreciation and when it will start inching up?

K. Venkata Rama Rao: Because all this capex, we will start to roll on phase-wise only. So definitely, Kusmunda work is going on. So there will be more and for Jharkhand project because it will take further around 9 to 10 months to start. So as far as Kusmunda is concerned, definitely, that is phase-wise. Then maybe this year, we will do somewhere INR250 crores to INR300 crores. And balance if available land is there, then we will do in the next year.

K. Jalandhar Reddy: Actually, the department is insisting us for fully mobilization. They are assuring that we will not keep your equipment idle. We'll even give SECL is doing one patch, out of which they are using only 45% to 50% of their patch only. So, other patch is free to do some work. So, they are asking us unless your Risdi village is vacated, we'll be accommodating there also. That's what they are saying. So, definitely, I think it has some meaning. So, 60% to 70%, 80% of mobilization we'll have to do this year if they insist.

Shravan Shah: So, next year, then the capex would be INR500 crores, INR600 crores kind of a number should be there. Obviously, the phase basis, but broadly, if I have to break it down, so FY 2028, roughly INR400 crores, INR500 crores or INR500 crores, INR600 crores kind of capex will be there?

K. Jalandhar Reddy: Actually, sir, this year, I think Kusmunda, you can take INR400 crores, we'll be doing this year, INR400 crores, up to INR450 crores, we will touch. Then Banhardih, if it happens, that is around INR200 crores this year, we'll have to do because there we can use a lot of old equipment. There is no restriction on using the higher capacity equipment. So, you are free to use whatever equipment you have, you can do the mining. So all our road equipment, which they were working, if they are not busy, I can deploy and do that.

Shravan Shah: Okay. So, sir, the depreciation then how one can look at? So this quarter, INR10 crores, .

K. Jalandhar Reddy:: Actually, that's what I couldn't get the figure. Actually, I have asked our team to calculate it properly. See on overall, Kusmunda, if you take -- I'm just talking about an example. It is almost around INR500 crores to INR600 crores, means INR550 crores you can take for that matter. But the turnover, you can expect with that equipment is around INR400 crores. So, there the depreciation is charged heavily. So I don't know what sort of EBITDA that will fetch because it's not like roads, we used to deploy 10% of the entire project cost that is this thing.

But every year, we used to get,even if I take a INR 1,500 crores project, INR700 crores, INR800 crores will directly come in a year. So that is distributed quite in a proper way for the highways. But here, complete equipment base and labor base and HSD, the diesel, all three are major components. Nothing else is other thing. So here, quite difficult for me today, but I'm very sure while quoting the bid or while assessing even after bid, we have done a lot of practical data collected from various other players and all that and with the different manufacturers, we have collected the data. After that data, I'm very confident that we'll be able to make PAT level about, say, 6% plus.

Shravan Shah: But broadly, seven, eight years, we will be depreciating whatever the capex that we do, we will depreciate over seven, eight years. That's the way one can look at broadly?

K. Jalandhar Reddy: Sir, actually, we are working out different ways. One sort of method, which we got we sorted for this dumpers that Caterpillar is offering every two years buyback policy. And that is working out much cheaper for us because the maintenance cost after second year is going up like anything for that dumpers. So what we are also planning to go buyback method only. And they assure around 75% of return to us after two years.

So completely, we use for two years, again, we replaced with the new trucks. So that efficiency of the trucks is good and fuel efficiency is good and maintenance is less. So with that, I think the capital cost, what we are incurring, the differential cost what we are incurring, even we take it into consideration, we are in good profit for that. So such methods are there for Caterpillar equipments.

So even the Komatsu dumpers, we have placed an order because of the urgency, we even have to choose that Komatsu equipment. The Komatsu is also offering similar type of buybacks. We have insisted that, they agreed for that. So we will have that. But like certain equipment, the surface miners and then certain dozers and all that, they don't have this type of arrangement. Even for coal equipment is also not having such an arrangement. So there, we'll have to take it for five years and then scrap it and then go for the new ones. Every five-year cycle, we are taking sir.

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

K. Jalandhar Reddy: But surface miner being a higher cost equipment that we are continuing for eight years. Because that surface miner, each one is costing about, say, INR13 crores, and we will be requiring four numbers right now. And if at all any delay that happens, we'll have to induce one more. So up to five itself is becoming a bigger ticket. So that we will continue for this thing. So, the certain pattern is there, which we have decided by which company can make good margins.

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

K. Venkata Rama Rao: Welcome. Thank you.

Moderator: Thank you. Next question comes from the line of Faisal Hawa with H.G. Hawa and Company. Please go ahead.

Faisal Hawa: Sir, now that the capex at least for the coming year is only on account of the mining project, why are we not giving a larger dividend or a suitable buyback?

K. Jalandhar Reddy: Yes, sir. Buyback, we are considering, sir. We'll come back on it. I think most of the decisions are getting done. The final meeting need to be concluded to come back on that. Second, sir, the capex that is concerned, that coal mines we have to do and certain maintenance capex is also there in that actually, that most of the projects got completed. And there the equipment, they become a little bit older and not viable for operation, those we are deciding and we are replacing with the new ones.

we have completed the two Kerala projects and then Mangalore project and Avinashi also. With all that, those equipments, wherever we can accommodate, we'll try to accommodate. Then after that, whatever we need, then those only we will try to replace. Rest of them, we will just sell it and then be ready for another order to come and then deploy.

Faisal Hawa: Sir, it is very heartening to note that now mining, which was not even a major vertical for us, has now become 45% of our total order book.

K. Jalandhar Reddy: Sir, actually, yes, considering the ticket size, it looks bigger, but year turnover will become very less actually. INR3,300 crores is the order size which looks at, but it can give you only INR400 crores to INR350 crores turnover. And the Kusmunda mine is also INR5,000 crores out of which my share is about 75%. That is only stood at INR3,500 crores. So like this, there are a lot of ifs and buts and those to be completed in five years. And Kusmunda is almost eight years we need to complete. So this is the way that is catering, sir.

Faisal Hawa: So, is it like we said say in the future that we have many such sectors entering our order books and they really become quite significant for us, things like solar EPC or even, for example, something to do with data center or even large bridges or dam projects?

K. Jalandhar Reddy: Yes, yes, sir. See main thing is that most of the flyovers are coming in the EPC mode itself. So the minimal working capital will be required, that's it. And the other highway projects concerned, most of the equipment we own and then wherever there is an equity commitment that we are just keeping it reserved.

In fact, not taking the decision early on buyback proposals is one of the reasons that we are keeping reserve with our future requirements on equity as well on the capex. So, those things we are keeping in mind, then we are moving forward. So, this is the cautious call which we are trying to take actually.

Faisal Hawa: And sir, about the Telangana outstanding, do you feel that at least the first installment comes through, then the rest of the installments will come without follow-up or you will have to make rounds of government every month and try to get this recovered?

K. Jalandhar Reddy: Sir, actually, we have decided to make full rounds and get that at least because that is need of an hour. Now I'll be needing that money badly. So, I'm making a lot of efforts on that. I don't want to leave them the committed date, I'll go sit there unless they write the cheque, I'll not come back. Like that we are planning. Let us see, sir, how it goes.

Faisal Hawa: So, it will not be like an automatic thing. You will have to keep on following every month.

K. Jalandhar Reddy: Sir, actually see, they say it's an automatic thing. Once we start doing, we'll do every month, we'll be paying you INR70 crores, INR80 crores, whatever they're saying. But unless you don't push, things will not happen. You know that in Telangana Government now situation is different. Earlier, sir, we used to get, we never used to even go for payments. We submit the bill we used to get. That gut feeling, I went on a bigger order book size and I landed into this issue actually.

Faisal Hawa: But to your credit, sir, you have never taken any Andhra Pradesh orders even though you have been so close to the State

K. Jalandhar Reddy: We'll try to keep a close watch on it, sir, and we'll be pushing that very hard.

Faisal Hawa: No. It is that you have always avoided even Andhra Pradesh orders. So you have been ever careful with outstanding. But these are accidents which sometimes happen in business, and I don't think we can blame the management for this.

K. Jalandhar Reddy: Yes, sir. Thank you.

Moderator: Thank you. Next question comes from the line of Niteen from Aurum Edge. Please go ahead.

Niteen Dharmawat: Yes, thank you for the opportunity. Sir, my line got disconnected in the initial part. So just wanted to understand what exactly we are planning in storage space, what kind of capabilities we are developing and what do we want to achieve from there? Any revenue guidance that we are taking over there?

K. Venkata Rama Rao: Battery storage. You are talking about battery storage?

Niteen Dharmawat: Yes, sir.

K. Jalandhar Reddy: Sir, battery storage, initially, we tried some bids. They went very bad actually. So, right now, I think we are just preparing some bids, but I'm not very sure of winning a contract because the way things are moving here in India, they are very wrong actually. And moving out that, another risk is there, with the increasing dollar price and all other external factors, it has got assigned with its own risk. So we are just cautiously going, that's it.

Niteen Dharmawat: Understood. And you mentioned about the entire mining projects revenue and our part. So, if I had to understand out of this INR15,000 crores plus order book, what is the expected total revenue? And during what period it will get executed based on the understanding as of today?

K. Venkata Rama Rao: Sir, as I told you, excluding mining, it will execute between 3 years to 3.5 years. And mining project, you know that one project is the five years and one project is the eight years. So based on that time line only project is going to complete.

Niteen Dharmawat: Okay. So for this year, what will be the revenue guidance and EBITDA guidance? I missed that. Sorry, if you already covered that

K. Venkata Rama Rao: This year, we are targeting somewhere around, you can say, INR2,200 crores to INR2,300 crores of revenue with EBITDA of around 8% to 9% this year. And next year should be the good year. We are thinking they try to cross INR3,000 crores plus with EBITDA of around 11% to 12%.

K. Jalandhar Reddy: Any new orders that are adding in these days, sir, will add up to our expectations. But we have not taken anything into consideration.

Niteen Dharmawat: Got it. And as previous participant also asked about the buyback. I think this may be the time considering the valuation that we are having. So what is the amount that you are keeping in mind I know that decision is subject to the Board, but there must be some percentage amount that you must have kept in mind, which you would like to assign towards buyback? And will it be a market buyback or some other mechanism, what you are considering?

K. Jalandhar Reddy: Actually, sir, there is a conclusion meeting supposed to happen, sir, on that. Definitely, after that, we will try to come out with the details. Right now, it's all under assumptions only.

Niteen Dharmawat: I got it.

K. Jalandhar Reddy: Board meeting only will decide.

Niteen Dharmawat: Okay. Okay, sir. Got it. Thank you and wishing you best of luck.

Moderator: Thank you. Next question comes from the line of Vasudev with Nuvama.

Vasudev: Yes. Thank you for the opportunity. Sir can you just guide us the kind of revenues that you are looking to clock in irrigation pipeline and mining projects in FY27 and FY28?

K. Venkata Rama Rao: Irrigation is left out if you adjust the unbilled, irrigation order book is almost left to only INR800 crores only. And out of that majorly is back-to-back project actually is there and one Package 3 is there. So this year, from irrigation, we do somewhere around INR200 crores only. And pipeline is definitely INR800 crores order book is there. We will do somewhere around INR300 crores to INR400 crores in pipeline project in this year.

Vasudev: And sir, from mining overall, what kind of revenues can we expect this year and next year?

K. Jalandhar Reddy: Sir, this year, we are planning about, say, INR150 crores this year because mining - there are two projects, but I think this year, by March, we can only start on one, that too which is starting from September. And they ask for 100-tonne dumpers. Actually, those dumpers are likely to get delivered the required quantum of dumpers are supposed to deliver by November end, I think. By the time we put them into operation, it will be a few more days.

So I think last quarter only, we'll be able to do solid execution in that this thing. But however, the opportunity is happening from September with partial available equipment. So whatever best we can do, we'll do, but INR150 crores, we are expecting from this, sir, plus or minus INR30 crores, INR40 crores could be there, INR20 crores, INR30 crores.

Vasudev: And then next year, how much can we target from the mining project?

K. Jalandhar Reddy: Sir, INR400 crores.

Vasudev: Both the projects?

K. Jalandhar Reddy: No. Actually, only one Kusmunda I'm talking about. If that starts, I think Banhardih, again, it will be around INR500 crores per annum, but we don't know when it will start. That's the problem actually.

Vasudev: Okay. Got it sir. And sir, on EBITDA margin, like we are guiding for 8% to 9% for the full year, and you said around 11% to 12% in the second half. But in Q1, we already did about 15%. So was there any one-off because even our subcontracting expenses were quite low during this quarter?

K. Venkata Rama Rao: Actually, in this quarter, as we already told that, you know, we had upstream of cash surplus of around INR 90 crores, including GST. We did in this inour deal with our investor. So that was there in our Q1 results. So that's why this year, it looks means it is considered that EBITDA is coming to 15%

Vasudev: Okay. So excluding that, what would be our EBITDA margins?

K. Venkata Rama Rao: Around 5.5% is there.

Vasudev: Okay. Got it, sir. And sir, if you can just help me with the revenue split segment-wise for the first quarter.

K. Venkata Rama Rao: Yes. The first quarter revenue from irrigation, it is just 3%. From HAM, it is 70% and our EPC work, it is 25%.

Vasudev: Okay. And sir, on the capex front, like at the company level, what is the overall capex that we are planning for FY27?

K. Venkata Rama Rao: As we already informed, Q1, we did around INR14 crores. And FY27, we are planning somewhere around INR350 crores to INR400 crores basically mining capex will be more capex. So including that, it will be around INR350 crores to INR400 crores

Vasudev: And sir, just some bookkeeping questions. What is the stand-alone debt cash and outstanding receivables from Telangana as of the end of the first quarter?

K. Venkata Rama Rao: Yes. Stand-alone debt is nil, and consolidated debt is INR1,975 crores. And stand-alone cash is INR310 crores and consolidated cash is INR435 crores. And this basically receivables from the Telangana from Package 4 is there, INR1,300 crores is there,. Overall receivables from irrigation will be around INR1,450 crores.

Vasudev: Okay. Got it sir. That’s it from my side. Thank you.

K. Venkata Rama Rao: Okay. Thank you.

Moderator: Next question comes from the line of Bhavin Modi with Anand Rathi. Please go ahead.

Bhavin Modi: Hi, sir. Thank you for the opportunity. So first question is with respect to the order book, sir. We have the order book of around INR8,700 crores. So what is the amount of unbilled revenue factored in that order book? And second thing was with respect to what is the amount for the unexecuted order book for the Somvarappadu, which we have excluded this time and kept in the others?

K. Venkata Rama Rao: So out of order, unbilled total is around INR1,220 crores was there in unbilled in our order book as of now. And your second question is around, what is Somvarappadu is there?

Bhavin Modi: So last time, it was around INR153 crores. So what is this time, the unexecuted order book?

K. Venkata Rama Rao: INR100 crores is there.

Bhavin Modi: So, for that, INR1,220 crores, you can provide the breakup in terms of what is unbilled revenue for the road, for the irrigation pipeline?

K. Venkata Rama Rao: Irrigation is around INR825 crores and around INR400 crores is rest actually.

Bhavin Modi: Thanks. The second question was with respect to when I'm seeing the numbers, order book numbers unexecuted. So sir, the Mysore, Kushalnagar Package has still not picked up, sir. So what is the reason? And what are we planning for this year?

K. Jalandhar Reddy: Sir, actually, last two months back, I think they have handed over full of land. Otherwise, we had only 5-6 kilometers in hand for Package 5 and then Package 4 also. Package 4 also was there only 30%, 35% of the land was available because suddenly, the local public has revolted to asking for some service road.

So wherever they wanted the service road, they have blocked that highway construction itself. So that was dealt with the government and then the central government, what NHAI made an agreement with the state government that state government will acquire the land and then give them for execution of their service roads, then they would do.

So actually, it has taken a long time for giving the police protection to vacate those people from obstructing. So recently, two months back, they have vacated entire land and they gave us.

Now the execution has speeded up. I think this quarter onwards, things will move better actually. We are even making arrangements for going COD by December for whatever the land which they made available for us around 30%- 40% available land was there, on that only, we would like to do the PCOD and balance we execute in the thing.

Otherwise, if the revenues are not started on the project, I'm coming into kind of more blocked IDCs and all. So we are starting in that way also for that.

Bhavin Modi: So then what we are factoring revenue from these two projects for the rest of the year?

K. Jalandhar Reddy: Sir, entire project has to be completed, sir. Entire project should be completed by April. We are planning, coming April end or May maximum. That's it. We want to close that.

Bhavin Modi: Okay. Sir, one more question was with respect to the recent mining order that we won. So it was, I think, in the partnership at 50/50. So are we getting the back-to-back 100% EPC, so that's why we have taken the entire amount in our order.

K. Jalandhar Reddy: Yes, sir. we are doing 100% EPC by taking back-to-back, sir.

Bhavin Modi: Okay. And sir, last question is now most of the road players are also entering the elevated metro space. We are still not obviously, there must be some working or team building must be happening in the elevated metro space. So how are we looking at that space, the elevated. Have we started bidding for the projects in the elevated metro space?

K. Jalandhar Reddy: Actually, sir, that Odisha, Bhubaneswar bid we have done for elevated metro. But subsequently, that went with unhealthy price. So we were not there in that. Later, it got cancelled also, but I'm not going by that. But however, our struggles are on to go on this, sir. Because we have done a lot of segmental construction, so which that is easing out this thing. And we have started the JV with NCC also for going on these projects.

Bhavin Modi: Right sir. Sir, any back-to-back arrangement with any of the leading groups, for example, Adani or NCC or any of the big road players like Welspun, any talks which are going on?

K. Jalandhar Reddy: Actually, sir, in fact, KNR, they wanted us to come in. The thing is the prices and all that were not suiting. And some pre-tender understanding you were asking, I think it is on. The discussion is on. Actually, there are certain southern projects only I'm challenging because if you go with the third-party, can't leave southern project and go to other projects -- because of the rainy seasons extended timings and all, we will not be able to deliver in time. At least in South, things are in control. So we would like to go in South only with the private players. So we are sorting certain bids, sir. Those bids could not happen.

Bhavin Modi: But geographically, sir, like there are many bids which are coming up in Madhya Pradesh, you know, UPEIDA especially, so are we open to those states or those geographies?

K. Jalandhar Reddy: Sir, UPEIDA, I'm not getting qualification because they ask for some express highways to be constructed. My expressways have not been completed yet. Only one we are doing, I think. Greenfield express highway experience they're asking. So at UPEIDA, I'm not getting qualification. So I'm not participating in that. But rest of the bids, I'm participating.

Bhavin Modi: Okay, sir. Thank you. Thanks a lot, sir.

Moderator: Thank you. Next question comes from the line of Rajarshi Maitra with InCred.

K. Venkata Rama Rao: Yes, please.

Rajarshi Maitra: Yes, hello. Thanks for the opportunity. So this question has been already addressed. So your EBITDA margin being 5.5%. So what is the exact quantum? I didn't get the number that has been booked, which is a one-off.

K. Venkata Rama Rao: One-off is, in revenue, it is around INR76 crores and expenditure side also, it is around INR30 crores has been there in expenditure side. So net INR46 crores has been considered in the EBITDA, as a one-off.

Rajarshi Maitra: Thank you.

Moderator: Thank you. Next question comes from the line of Sudeep Bora with AMBIT Capital Private Limited. Please go ahead.

Sudeep Bora: Thank you sir for the opportunity. Sir I know you have talked about it earlier, but just wanted to have an understanding about the margins and the IRR profile for the mining projects, like what range are we looking at?

K. Jalandhar Reddy: The mining project is concerned, we have considered while bidding, I think we have considered about 6%-plus PAT levels in that because right now, I haven't calculated for that equipment component, generally, we used to have an idea on highways, how EBITDA is coming up.

But in this mining sector, what is happening that almost INR500 crores to INR600 crores worth of equipment is deployed, and INR400 crores turnover is expected around on every year. And this is to be continued for eight years period of time.

So that there are certain equipments which are getting terminated on buyback basis on every two years, certain equipment are getting terminated on five years. So on that, we need to have a detailed calculation, then only we will get the EBITDA levels. But otherwise, 6%-plus PAT levels are possible, our estimate according to that.

Sudeep Bora: Okay, sir Got it. And sir, just wanted to confirm the outstanding order book numbers on a few projects like the multilevel flyover at IIIT Hyderabad and the two EPC projects, one is the GHMC and the Shankarpally Road at MGIT.

K. Venkata Rama Rao: So this is for Khajaguda IIIT Junction. It is INR459 crores is the closing order book. And MGIT to Manikonda, I think you asked, that is same, around INR83 crores is there, that is the same.

Sudeep Bora: And the other project like 3-lane flyover at Kukatpally, that is completed?

K. Venkata Rama Rao: No, no, that is Y-Junction flyover is still there, it is not completed. INR72 crores is the order book is there. It has to start project has to be started.

Sudeep Bora: Okay. Okay. Yes sir. So this were my questions. Thank you.

K. Venkata Rama Rao: Okay, sir. Okay. Thank you.

Moderator: Thank you. We have a question that is from the line of Vaibhav Shah with JM Financial. Please go ahead.

Vaibhav Shah: In Q1, what is the revenue from water pipeline order?

K. Venkata Rama Rao: water pipeline is just INR7 crores is their revenue.

Vaibhav Shah: Of that INR830 crores order book, what will be the unbilled portion in water pipeline?

K. Venkata Rama Rao: Water pipeline is already, back-to-back is there. So there won't be any unbilled portion in the water pipeline. It is the back-to-back work will be there.

Vaibhav Shah: Okay. Okay. Thank you, sir.

K. Venkata Rama Rao: Okay. Thank you, sir.

Moderator: Thank you. Ladies and gentlemen, as there are no further questions, we have reached the end of question-and-answer session. I now hand the conference over to the management for closing comments.

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

K. Jalandhar Reddy: 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.