



KNR Constructions Limited.

Date: 20th November 2024

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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
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Dear Sir/Madam,

Sub: Transcript of Earnings Call for Q2FY25 held on 13th November 2024

Ref: Reg. 30 of SEBI (LODR) Regulations, 2015

Pursuant to the provisions of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, we herewith submit to the Exchanges transcript of earnings call held on 13th November 2024.

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

Thanking you,

Yours truly

For **KNR Constructions Limited**

Haritha Varanasi
Company Secretary

Encl as above



“KNR Constructions Limited
Q2 FY '25 Earnings Conference Call”
November 13, 2024

“E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 13th November 2024 will prevail.”



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

Moderator:

Ladies and gentlemen, good day, and welcome to KNR Constructions Limited Q2 FY '25 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 a guarantee of future performance and involves risks and uncertainties that are difficult to predict.

As a reminder, all participants' 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. Please note that this conference is being recorded.

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

K. Venkatram Rao:

Good morning, everybody. Thank you for joining us today on the call to discuss our financial results for Q2 and H1 FY '25. Along with me, I have Mr. K. Jalandhar Reddy, Executive Director; and Strategic Growth Advisors, our Investor Relations Advisors.

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

I would now like to share our perspective on the significant industry development. In the first half of the year, we observed a slowdown in awarding of the projects primarily due to general elections. However, the MoRTH has set target aiming to award project worth INR5 lakh crores for the current financial year. This commitment gained momentum in September with project bid pipeline amounting to INR1.1 trillion, primarily driven by HAM and EPC projects.

Looking ahead, the government is also preparing to approve additional highway projects, which could bring the total cost of sanctioned projects to INR2 lakh crores by the end of December. This robust pipeline affirmed the government commitment to maintaining an aggressive pace in highway construction. Additionally, the NHAI is undertaking several transformative initiatives, including collaboration with banks to implement advanced toll collection technology on expressway.

This state-of-art multi-lane free flow system will replace trailing toll collection removing the need for physical toll booth. Moreover, NHAI is constructing 74 new tunnel across India, spanning a total of 223 kilometres. This extensive project aim to significantly enhance the country's highway infrastructure with an estimated cost of around INR1 trillion. Lastly, the government decision to double that defect liability period to 10 years for the contractor of EPC mark are crucial steps towards enhancing the quality and longevity of the national highway infrastructure.

This policy change is expected to lower long-term maintenance cost for the government and improve road safety and user satisfaction by keeping infrastructure in optimal condition. Ultimately, this shift will support the development of more reliable and sustainable highway

network across India. With this initiative, a strong bidding pipeline and a diversified order book, we are confident that positive growth momentum lies ahead.

Now coming to the key update of the company. The percentage of physical projects as of September 30, 2024 for the HAM project is as follows:

- Magadi to Somwarpet: around 87%
- Oddanchatram to Madathukulam: 100%
- Ramanattukara to Valanchery: 82%
- Valanchery to Kappirikkad: 84%
- Chittor to Thatchur: 77%
- Marripudi to Somvarappadu: 12%

As of September 30, 2024, the company has already invested INR556 crores out of INR992 crores revised equity requirement for all eight HAM projects.

The additional equity requirement of INR436 crores to be infused as INR200 crores INR120 crores and INR116 crores for H2 FY '25, FY '26 and FY '27 respectively. You can refer to the Slide number 27 of the investor presentation for detail on each HAM project.

Pursuant to the settlement agreement signed between NHAI and KNR Muzaffarpur Barauni Tollway Private Limited, the company has received INR317.69 crores, including INR142 crores of the interest on unsecured loan from the SPV. Additionally, as per the terms of the settlement agreement, the SPV has repaid its entire debt obligation to the lenders and the project will be foreclosed. The toll collection of Muzaffarpur Barauni toll project was taken over by NHAI with effect from 1st November 2024.

On 29th October 2024, the company has signed Share Purchase Agreement with JKM Infra Projects Limited and/or Mr. Gaurav Jalan, (Investor) for INR45.90 lakh, for which the company will transfer its entire stake, that is 0.65% in SPV and further KNRC Holding and Investment Private Limited, the wholly-owned subsidiary of the company will also transfer its entire state that is 100% to the Investor.

Now coming to the order book position. As of September 30, 2024, the company has total order book position of INR4,406 crores, which can be bifurcated as 52% of the EPC road project and HAM project, whereas 23% of the total order book is for irrigation project and balance 25% is for pipeline project.

Client wise bifurcation is 67% of order book is from third-party client and balance 33% is from the Captive HAM Projects. The third-party order book percentage is split between state government contract as 54% where 11% for the central government and balance 2% is from the other private players.

And we note that this order book does not include contract aggregating to INR1,200 crores as we have not yet received the appointed date for our two HAM project. If we include this, our order book will increase to INR5,606 crores. This order book will execute over a period of around one and a half years to two years. With a recent election behind us and clear government

emphasis on the road and highway development, we anticipate an increase in new order work. We are aiming for order inflow of approximately INR6,000 crores to INR8,000 crores for the next year.

Lastly, India Rating has affirmed its outlook on the long-term bank facility as IND AA/Stable and also a short-term rating is affirmed at IND A1+.

Before discussing the financial number, I would like to highlight that during the quarter, the company has received an arbitration claim from its Orissa project of INR28 crores, which includes in the total revenue and INR43 crores towards interest on such claim is included in other income. And also expenses related to such claim of INR 0.9 crores is included in other expenses and resulting tax of INR17.6 crores included in current tax.

I would like to further clarify an exceptional item of INR15 crores for this quarter, which resulted from two specific transactions.

First one is the Patel KNR Infrastructures Limited, our associate company brought back its 32,71,161 shares held by the company for a consideration of INR8.9 crores. And accordingly, the resultant profit on such buyback of INR5.6 crores, that is included in exceptional items in the statement of standalone profit and loss.

Secondly, the company has made a provision of INR21 crores towards the receivables from the CUBE Highways and Infrastructure III pte Limited, which included in the exceptional item. This was due to the non-fulfilment of some of the condition of the SPV executed between the company, CUBE Highway and the respective SPV.

Now let me take through the Q2 and H1 FY '25 standalone financial performance first, followed by the consolidated financial highlights. I will start with the quarterly highlights first. The revenue for the quarter stood at INR884 crores. EBITDA for Q2 FY '25 is largely stable at 1% degrowth YoY to INR165 crores as compared to INR166 crores in Q2 FY '24. EBITDA margin in Q2 FY '25 is 18.6%. Net profit for the current quarter was INR334 crores as compared to INR100 crores in Q2 FY '24, registered a growth of 235% year-on-year.

Now coming to H1 FY '25 highlights. The revenue for H1 FY '25 stood at INR1,764 crores. EBITDA for H1 FY '25 grew by 5% to INR357 crores as compared to INR339 crores in H1 FY '24. EBITDA margin in H1 FY '25 stood at 20.2%. Net profit for H1 FY '25 was INR469 crores as compared to INR210 crores in H1 FY '24. The adjusted turnover, EBITDA, PBT and PAT for the quarter and half year ended is INR856 crores, 16.12%, 14.94%, 10.92% and for the half year ended, it is INR1,675 crores, 16.33%, 14.44% and 10.4% respectively.

Now coming to the consolidated financial performance. I will start with the quarterly highlights first. The company recorded a year-on-year growth of 87% in the total revenue from INR1,038 crores in Q2 FY '24 to INR1,945 crores in Q2 FY '25. EBITDA came in at INR870 crores in Q2 FY '25 from INR232 crores in Q2 FY '24, a growth of 226% year-on-year. EBITDA margin in the current quarter stood at 44.7%. Profit-after-tax stood at INR580 crores in Q2 FY '25 vis-a-vis INR143 crores in Q2 FY '24, a year-on-year growth of 306%.

Moving on H1 FY '25 highlights. The revenue for H1 FY '25 grew by 45% year-on-year to INR2,930 crores. EBITDA for H1 '25 was INR1,148 crores as compared to INR447 crores in FY '24, registering a 157% growth. EBITDA margin for H1 FY '25 stood at 39.2%. Net profit grew by 120% year-on-year to INR746 crores compared to INR276 crores in H1 FY '24.

Now moving on the standalone balance sheet. The company continuing to maintain a strong balance sheet. The working capital date stood at 71 days compared to 78 days as of June 24. The consolidated debt as of September 30, 2024 is INR1,420 crores as compared to INR1,258 crores as of, 31 March 2024. The net-debt to equity on consolidated basis is as of September 30, 2024 stand at 0.33 times as compared to 0.36 times as of, March 31, 2024.

The increase in consolidated turnover and PAT is due to pursuant to the settlement agreement that the KNR Muzaffarpur Barauni Private Limited was entitled to receive settlement amount of INR961.38 crores, which is included in revenue from operation, an amount of INR342 crores accounted towards EPC claim, which is included in construction cost and INR49.67 crores towards the interest, which is included in the finance cost and amount of INR221.83 crores of intangible assets, which has been amortized and included in the depreciation and amortization expenses in the consolidated statement of profit and loss.

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

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Mohit Kumar from ICICI Securities. Please go-ahead.

Mohit Kumar: Thanks for the opportunity. My question is what is the pipeline of tender from NHAI for EPC and HAM? And can you also help us with the pipeline of BOT separately?

K. Jalandhar Reddy: Sir, actually the pipeline in the sense there is nothing considerable that is there in pipeline kind of thing but there had been around 80-85 tenders which we have studied on NHAI itself. So the 80 tenders which we are right away focusing and these are getting postponed. Actually there are certain tenders are supposed to be happening in this month, but many of them got postponed by 10 days, week and it's kind of a month.

So the gap is a little bit building up there. We just ask them why the delays that is happening. They say that the acquisition of land is not adequate. So until they achieve the 80% land position, they would like to hold these tenders. That is what NHAI is saying right now.

So probably second thing is after the new government has taken over the power, I think considerable rally is not started by them. So maybe March quarter means fourth quarter of this year could be flooding with all these tenders. That's what I'm thinking because there is almost four and a half months time that is there. So it may start from Jan, February. It happened also earlier similarly.

So even NHAI is expecting that from January onwards, the tenders may partially start -- keep on pulling up and the peak will be in February and March. I think we'll have to wait for that sort of window wherein many tenders that come up and at least we have studied 80 on 80, definitely

we can try to get INR5,000 crores to INR6,000 crores from here and some certain state governance also we have studied and those tenders are additional.

Mohit Kumar:

Anything expecting for the BOT, sir?

K. Jalandhar Reddy:

BOT -- actually BOT, we are sorting the terms with other players and those also we would like to go on. As an EPC player, certainly we had a discussion with Adani also. They were also under discussion with us for a few projects and CUBE is also there. So whatever it is, we will give an exclusivity for them and we want an exclusivity from them. Certain -- these two are being now under discussion. There isn't actually the terms between the initial discussions are over for the Adani projects. So definitely we may strike some projects. And CUBE has already given us MOU, only we have to see the opportunities and participate.

Mohit Kumar:

Understood, sir. My second question there. My second question is on the EBITDA margin. If I subtract the notes to account for INR27 crores and INR60 crores respectively for two notes to accounts, the EBITDA margin comes at 12.2%. I think you saw the lowest EBITDA margin. Am I right?

K. Venkatram Rao:

No, no, no, sir. For the half year, if you adjusted with all the adjusted EBITDA is 16.33%, sir.

Mohit Kumar:

For the half year?

K. Venkatram Rao:

For the half year, yes.

Mohit Kumar:

My last question is on the employee expenses, it looks to be slightly higher side compared to in the last three, four, five quarters. Is there any reason?

K. Venkatram Rao:

Which expenses, sir?

Mohit Kumar:

Employee expenses.

K. Venkatram Rao:

Actually employee expenses, it's the same only INR43 crores, but this quarter actually, as you know, we have paid variable to our directors amounting to around INR9.9 crores. So due to that reason, this quarter it has increased, but otherwise it is in the range of somewhere between INR41 to INR42 crores per quarter.

Mohit Kumar:

Understood, sir. Thank you. Best of luck. Thank you.

K. Venkatram Rao:

Okay. Thank you.

Moderator:

Thank you very much. The next question is from the line of Shravan Shah from Dolat Capital. Please go-ahead.

Shravan Shah:

Hi, sir. Continuing the same thing. So for us, the order inflow is the main concern. So just trying to bit understand further. So when we say, 80-85 tenders that we are looking at, if you can help us in terms of what's the value and this is only the NHAI one? And in terms of the HAM and EPC is how much? So that is first one. And second, maybe if you can also elaborate in terms of the MSRDC, what we are looking at there.

K. Jalandhar Reddy: Actually, MSRDC, we are under discussion with Navayuga. Navayuga Constructions is there where they have three packages in Pune, which they were offering one project to us, which is under discussion. We need to examine the case and come back. Then one we have already given an MOU with Patel, pre-tender bidding we have done to Patel Infra. If they get the job definitely we will be executing that. So each is having around INR2,000 crores-plus values only. So that is one aspect.

Second, as you asked that 80-85 tenders which we have studied, this is actually the quantum, I'm not totally summed it, but the projects are varying from INR800 to INR1,600 crores. The minimum is INR800 crores and INR1,600 crores is the max. So those are the ticket sizes which we have sorted. Very few are there in INR600 crores to INR750 crores level, but most of them are above.

Shravan Shah: Okay. And roughly in terms of the EPC and HAM would be how much of 50-50 would be out of this 80, 85 would be a HAM and EPC?

K. Jalandhar Reddy: HAM. As of entire HAM only, because EPC from I'm not hoping anything out of it. I'm really focusing on some Tamil Nadu bids in flyovers and all. Some flyovers and somewhere, even highway projects are actually also likely to come, which we have examined from their department. So we are waiting those tenders to happen. Once they happen, definitely, we'll try to grab some out of that.

And apart from that, we are also thinking about that whatever EPC mode projects which Adani bags or this Cube Highways which we have already spoken now. So those are also sorted and they are in line.

Shravan Shah: Okay. So this MSRDC Navayuga -- just to clarify that one project that we are looking at, so that itself is close to a INR2,000 odd crore and even for Patel Infra that we have a MOU, that value is also close to INR2,000 odd crore.

K. Jalandhar Reddy: Yes.

Shravan Shah: Okay. So let's say...

K. Jalandhar Reddy: If we already have got the job and from there we are discussing. So the price between us and them should be finalized. So we were waiting this right election go because we don't know which government is going to come in Maharashtra. And so what would you say? Who's going to come? So if they like to continue then it is good otherwise if there is any shock that -- they may scrap these projects because just before the election, they have already given LOAs on this.

So a little bit dilemmas are there, but still I think I'm a bit comfortable. Things will happen like what happened in AP and all. So only AP is exceptional state where the developmental projects have been hampered because of political movements and all. But I don't think such things will happen in Maharashtra...

Shravan Shah: Yes. So, sir, just to come back. So let's say if we get this INR6,000 crores to INR8,000 crore order inflow that we are looking at and I think the revenue got most likely to start in the next FY

'26 next year. So this year, so two things to understand. First, this year already in 1H, we have close to core revenue is INR1675 crore, 10% down.

So for full-year at a core revenue, how much we are looking for FY '25 and assuming that we get the INR6,000 crores to INR8,000 crore order inflow in this by March. So in FY '26, how one can look at in terms of the revenue?

K. Jalandhar Reddy: FY '25, I am expecting that even we grabbed the job in the last quarter of this year. So there is a six-month gap that will come out. So by the time we'll have to see that all the two quarters, we have to completely finish all the order book whatever we have. So, and after that, how many jobs which have come in if Maharashtra is successful in '25. Maharashtra successful that can start in two, three months earlier.

So first-quarter we will leave, second-quarter will plan. Maybe there could be some rains and all, but we will start in the second-quarter, those projects. But HAM projects and all, it can be taken-up in six months later only because they are now they are coming up with the 80% land. I don't have the dilemma as I have in amongst that Mysore section.

So certain dilemmas are not there in that. So we can set up and start in this month. Because that separatory works, we'll keep it in very strong way so that we'll try to hit the thing. But sir, these are all assumptions. So I rate little less only in the coming year also. So maybe that we may have to bear with that. And after that I think things would be good.

Shravan Shah: Sir, still not able to understand -- still trying to understand. So this year, can we do close to INR3,400 crores INR3,500 crore kind of a revenue

K. Jalandhar Reddy: Yes sir.

Shravan Shah: and assuming for next year, let's say -- as you said, even if we start the HAM exit...

K. Jalandhar Reddy: INR2,500 crore, we are -- no doubt we are targeting for INR4,500 crore provided this order book at least equal to INR5,000 crores to INR6,000 crores.

Shravan Shah: Okay. And then and margin to remain the same 16%..

K. Jalandhar Reddy: For first 2 quarters I am not guaranteeing, but the second-last two quarters, we will rock and we'll see that same kind of attitude.

Shravan Shah: And then at margin level, 16% or can be maintained.

K. Jalandhar Reddy: Very difficult to say because all the new orders which are coming. So EBITDA, since we have placed that bid and I win the bid has helped the market, then only I'll be able to answer this question, sir. But we will try where the thing is we tried our best-in the industry as of now. So we will focus to have that.

Shravan Shah: Okay. Lastly, sir, when this pipeline projects, INR1,100 crore to start execution and two appointed date or when that appointed date to come? And lastly on the capex front?

- K. Jalandhar Reddy:** Two months-to go, sir. Actually that -- whose environment clearance, I think in another one month it could come. So there'll be formality to close -- one month they are saying, but I am envisaging within two months, we should start the job. That's what it is.
- Shravan Shah:** For pipeline or for the two HAM projects that we will be expecting the...
- K. Jalandhar Reddy:** HAM projects.
- Shravan Shah:** For HAM projects in two months appointed it and for pipeline projects when the execution will start?
- K. Jalandhar Reddy:** Pipeline projects has started.
- Shravan Shah:** Okay.
- K. Jalandhar Reddy:** Because I think there have been certain stage-wise constructions are there. Unless we achieve that stage, the payments are not eligible in that.
- Shravan Shah:** Then lastly, if you can touch upon on the...
- K. Jalandhar Reddy:** We have completed 11% job. I think upon reaching the 15% of the project value, we have a milestone to get paid. Like that.
- Shravan Shah:** Okay. And lastly, sir, irrigation payment, when we now expect because last payment we have received in February, so I think the outstanding is more than INR1,000 odd crore. So when we are expecting?
- K. Jalandhar Reddy:** It is INR900 crores, I think what happened actually whatever it is billed around INR740 crore is billed. And this bill -- it is not recorded. I mean, we were insisting on them to record and we've been giving continuation letters to record the bill. But since the payment is not accessible to them by that loan component, so they are just looking at certain issues are there.
- I think if they resolve that loan issue, then these things will be resolved. I am hoping, sir, very uncertain it is. I can say within two months it can be solved. I think they were saying that department and even we met the minister also, he said he will try to solve in one-two months.
- Moderator:** The next question is from the line of Ravi Naredi from Naredi Investment. Please go-ahead.
- Ravi Naredi:** Sir, how many more claims are pending with NHAI or other authorities?
- K. Jalandhar Reddy:** How many claims pending -- sir, how more claims are done. One claim will come in this quarter and the date is 07, which is there -- HAM were there. Sorry, not HAM but annuity project whose claim has already has come in this quarter. So this quarter we will be having that also.
- Ravi Naredi:** How much claim it will come in this quarter?
- K. Venkatram Rao:**
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- Around INR130 crores will come.

- Ravi Naredi:** INR130 crore and it will go in income only, right?
- K. Venkatram Rao:** I mean some part in income, some part in other income that we are working on...
- Ravi Naredi:** Sir, you are so knowledgeable person about the road construction. Sir, tell commentary on-road projects from NHAI, how many kilometres they have sanctioned and how many more kilometres will come in this financial year '26, can you give some commentary, it will help?
- K. Venkatram Rao**
:
- Yes. Actually this year they have targeted, it's around INR5 lakh crore actually in the current financial year. That is a MoRTH target. And out of that, around they have sanctions for INR2 lakh crores by end of December. So this is a lot of lot of projects are there actually, which is yet to come actually because almost last one, one and a half years, not much project was awarded.
- So we are expecting that definitely in Q4 actually, some definitely a big rally will come. So we want to capitalize that rally actually.
- Ravi Naredi:** Okay. So you mean to say maybe INR3 lakhs crores road project maybe come in the fourth-quarter for?
- K. Venkatram Rao**
:
- We are expecting -- we are expecting.
- Ravi Naredi:** Expecting. But we will be the only where our margin is reasonable, right?
- K. Venkatram Rao**
:
- Yes. That's why we are working on that actually. So definitely we will look into that.
- Moderator:** Thank you very much. The next question is from the line of Parikshit Kandpal from HDFC Securities. Please go-ahead.
- Parikshit Kandpal:** Sir, my question is on the irrigation receivable...
- Parikshit Kandpal:** So first thing is that I can see you have approximately INR500 crores, INR520 crores of cash-in the consolidated. So that is the right number, right, including investments, current investments.
- K. Venkatram Rao:** Yes. So this year September, our standalone cash is around INR347 crores and consol cash is sorry, INR247 crores and consol cash is INR460 crores,
- Parikshit Kandpal:** INR460 crore and including investments about INR520 crores.
- K. Venkatram Rao:** Yes, investment is separate, yes.
- Parikshit Kandpal:** So my question is, if we were getting the receivables on-time and once we realize all this INR900 odd crores of receivables, which you pointed out. So in terms of billing, the pending work which -- in terms of progress and the receivables, which is due. So how much of this would have been

the cash if then these receivables were coming on-time. So how much of the receivables are overdue against the timelines.

K. Jalandhar Reddy: Except irrigation I think we don't have anything else. Everything is on-time – that's why we are surviving otherwise –

K. Venkatram Rao: We have INR435 crores receivable pending from the HAM project that we are not drawing because we have the surplus cash-flow in the parent company. So this INR435 crore any day we can draw, only around INR600 crores is certified receivables as on September. That is only due actually. Around that major is a package four.

Parikshit Kandpal: So from Irrigation, I'm asking INR900 crores, how much of receivables are overdue? I mean, which had come on-time would have resulted in cash sitting on our book. So how much is that number? So you said INR435 crores.

K. Venkatram Rao: Almost INR600 crores.

Parikshit Kandpal: So INR600 crore from there, if it gets realized and INR400 crores from HAMs, it's about INR1,000 crores and you have another INR500 crore so totally INR1,500 crores of cash would have been in-place if you were going through a normal-course of business, right?

K. Venkatram Rao: Yes, correct, correct.

Parikshit Kandpal: So how much will you do with so much of cash once in six months time you get...

K. Jalandhar Reddy: What you will do with cash. Because we have to put lots of BOT projects are coming as well annuities are coming, we have to run our business only and nowadays our -- EPC you may forget about EPC, EPC is very, very worse now today. So we have to focus more on this HAM project as well on BOT. So and second thing -- another irrigation due. If all that comes, we will be comfortably running the company without any hassles and without taking additional debt or anything.

That's what the plan for going-forward. And we will have a good scope also. See, since we have -- we are little bit sitting on a cash pile, we can focus more on with whatever the appetite we have, we will go up to that limit and we will try to do the business.

Parikshit Kandpal: The only thing is, sir, you are making the platforms with Cube or with Adani on one-way where you will need not invest in BOT so much, you will convert it into EPC.

K. Jalandhar Reddy: Adani is asking us for participating in a partnership also we are examining, but a big guy to participate. Rather than that, we are spotting another method that anything below INR2,000 crore tender and that to which has good potential. We would like to also participate in those tenders alone and try to do alone and as we did in the earlier that Walayar & Muzaffar and all that we want to do in a similar pattern.

Parikshit Kandpal: Okay. So what is the standalone debt right now, sir, sorry, I missed that number standalone debt.

K. Venkatram Rao: Nothing is there, INR2.95 crores as of September...

Parikshit Kandpal: I think you should be stepping because we are not able to grow now and maybe you have structured our business that we are only into roads and we are not making any serious efforts to diversify beyond roads for many quarters we've been talking about. So I think it's better we should distribute some of this cash as and when it gets realized as a stepping up dividend or maybe buybacks because...

K. Jalandhar Reddy: Actually hoping what it is, see, even today if I focus on one BOT project whose value is around, say, INR2,000 crore, little bit below that only I want to look at it. It is 2% if I take, 30% is the equity which we have to put. Sir, if those projects are there then this will be used up but that will be under rotation and it is good application also.

Parikshit Kandpal: But sir, then after diversification you'll have to see right because you'll have to see...

K. Jalandhar Reddy: Diversification, yes, you tell me, I have examined – I went in solar, I went in metro everywhere we burned our hands. Did not even get money of tender. The situation is that much worse over there. And even railways quoted us, railway is also worse. Little bit of life is left is because of our highway, because we know about everything. So now I want to stabilize my business through these BOTs, tolls and annuity.

And then look at the -- something else, sir, because under panic, if I start looking at now, I'll be -- I'll be going wrong, which I'm thinking also. I mean -- it's not that I'm not examining the cases. I'm examining the cases, sir. I think I have predicated -- I have already -- last-time I told you that one CETP project was there. And quite a big project, it was actually INR5,000 crores worth of contract was there with hands in that fellows hand.

But he was asking for a wrong price. So we couldn't go because our return-on-equity was very less. So we have offered one price and we left it because he is not coming to our price. I don't want to take something with a lesser thing.

Parikshit Kandpal: You said, CETP project,

K. Jalandhar Reddy: CETP project, what happened is you were showing wrong costs in the maintenance, which we caught and that is not agreeing to it and we have proven him, sir. So there he want to cheat us, so then we said no, he started cheating of itself with a going partnership, then things will be wrong directly.

Parikshit Kandpal: With this project.

K. Jalandhar Reddy: I mean we examine every good field, whichever available.

Parikshit Kandpal: Sorry, what project was this? CETP?.

K. Jalandhar Reddy: CETP sir. Actually you know that the pharmaceutical waste -- that treatment, we used to bed the treatment to

Parikshit Kandpal: STV, STP project?

K. Jalandhar Reddy: That project we have examined actually. One company called Mother Earth that came to us for a 50% stake sale. We have examined that case and they were doing some wrong trading. Valuation was not fixing into our business.

Parikshit Kandpal: So I was saying that you had last call you had said that you will maybe pursue legal options to recover the receivables, irrigation receivables. So what are the progress on that? And you also mentioned that the Minister is saying that in two months some resolution will happen. So will the funding of this project only be dependent on loans or is there any possibility of any budgetary support or supplementary budgetary support being provided? So what will give us confidence that the project recovery or the collection is on-track now?

K. Jalandhar Reddy: Actually the irrigation, sir, it is completely political what is happening here is completely political. We met for this. We met the Chief Minister also and we told him our issues. He instructed the ministry that is irrigation ministry to consider to pursue the loan component also. So I think last-time we then but is -- yes, yes, sir. 2 months' time was given by Mr. Reddy within 2 months will resolve. That's what it is told to us. It is out of hand, our hands, but we are completely vigorously pursuing that. It's not only me that Megha is there and Navayuga is also pursuing there for their payments, we are all together fighting for that actually.

Parikshit Kandpal: And have you slowed down the execution on the balanced order book like how much was the revenue this quarter and for this year, how much is the projection as per the current collections?

K. Venkatram Rao: Overall, we are definitely last year we did INR4,000 crores. So this year we are targeting because there may be some shortfall. So we may touch somewhere around INR3,500 crores to INR3,600 crores turnover in this year because what are our existing asset projects are there like Kerala project and every project, almost 80% work is completed on the book. All the project by March '25, we should be able to complete and we'll achieve somewhere around INR3,500 crores of turnovers.

Parikshit Kandpal: No, sir, I am asking about irrigation. How are you looking at now?

K. Venkatram Rao: Actually this quarter also we did actually in irrigation around 17% we did actually around INR150 crores per turnover. The same turnover definitely we will do on the balance order book is there almost and irrigation is INR900 crores from these two projects actually package three and package four and one is that anyway this -- our pipeline project that is will start working giving billing from Q4.

But out of this INR900 crores, definitely actually INR150 crores around the -- you can say why we will do around INR150 crores of a turnover effluent from this project in every quarter. So fastening area, but still we have to execute because what is happening if we stop our machinery and because ultimate it will become cost to us and we have already going through legally and put our claim through court also.

So we are making all our efforts actually. We are talking to the concern ministry and as well as putting all the legal efforts both the way actually we are going. But we cannot completely stop the work actually. We will slowly execute...

- K. Jalandhar Reddy:** What happened actually to stop the work, I would like to add two words here. See, the situation here is that almost we have given order for all the pump and motors. Everything and I think three pumps, three motors have come and they are now under assembly. And one more to come.
- In the last hour, if we do such thing, definitely will become defaulter in the -- in-progress. So we are -- we have only left way -- we -- only the way we have left with this is that you do the work and through court also if we can fight for that once we finish the work. So that is where a little bit we have to think on it and do itself.
- So -- and everything is mobilized, equipment, everything is there. If you don't do the work, at least that revenue doesn't happen. So once completion is there, once we do the completion, definitely at the fag end and for commissioning and all we can stop like we can even get paid from court all that course will give us very fair things, right?
- Parikshit Kandpal:** Okay. Just the last question, sir, how much was the total order inflow in this year till-date? And when is this pipeline? And also can you elaborate a little bit on the pipeline project?
- K. Venkatram Rao:** Yes. So this year -- this year, no order inflow. There is no considerable pipeline for the pipeline, sir.
- Parikshit Kandpal:** No, sir, I am asking about the INR1,100 crores pipeline project?
- K. Venkatram Rao:** Actually this year we have not received any orders in this years. This pipeline at INR1,100 crores. That's a pipeline. That is actually...
- K. Jalandhar Reddy:** That is a 12% execution is done for project. I think 15% say we will be getting to get paid with that. I think the funds are available because there are things they have been getting from Central Government.
- Parikshit Kandpal:** These are Jal Jeevan Mission projects.
- K. Venkatram Rao:** Yes. AMRUT 2.0.
- Parikshit Kandpal:** Okay.
- K. Venkatram Rao:** Under 25% funding by the Central Government, under that project has awarded
- Parikshit Kandpal:** And 75% by the Telangana state?
- K. Venkatram Rao:** Now by the state government. Yes.
- Parikshit Kandpal:** This project is financially utilizable funds are available for this project?
- K. Venkatram Rao:** Yes, for that, they are already budgeted actually because Central Government is there, because that's why they have budgeted these projects. There won't be any payment issue for this project.
- Parikshit Kandpal:** Okay, sir. Sure. Thank you, sir.
- K. Jalandhar Reddy:** Hopefully, they don't divert.

- Parikshit Kandpal:** Thank you, sir. I wish you all the best.
- Moderator:** Thank you very much. The next question is from the line of Vaibhav Shah from JM Financial Limited. Please go-ahead.
- Vaibhav Shah:** Thanks for the opportunity. Sir, out of a INR1,000 crores irrigation order book, what is the unbilled portion?
- K. Venkatram Rao:** Unbilled will be around INR400 crores.
- Vaibhav Shah:** So incremental revenue potential should be actually around INR700 crores, which would less around INR600 crores?
- K. Venkatram Rao:** Yes, correct. Incremental revenue will be around INR600 crores.
- Vaibhav Shah:** Okay. Secondly, what is the outstanding irrigation receivables?
- K. Venkatram Rao:** Receivables is INR600 crores is there.
- Vaibhav Shah:** And the total -- the total number?
- K. Venkatram Rao:** Including unbilled everything, it will be around INR1,000 crores.
- Vaibhav Shah:** And sir, last-time you indicated that you are looking to recover around INR300-odd crores in third-quarter. So what's the status on that?
- K. Venkatram Rao:** Our management had discussed recently with the concerned ministry. So we are expecting in the next 2 months actually will get paid-off actually.
- Vaibhav Shah:** So how much we are expecting in next 2 months?
- K. Venkatram Rao:** In that -- INR600 crores actually.
- K. Jalandhar Reddy:** During discussion, we have asked a full payment to be done because now the project is under completion also, almost 85% is over only 15% will be executed. So with that holding also received, it's in the situation that I cannot go back or I cannot stop like that things are like this. So definitely we have spoken to Minister, I think they are resolving what they're saying.
- The loan components are any movement it can be resolved actually. That's not a big deal also. Only some margin money they have to pay or which they are -- that doing. So I think if they do that, I think we'll be to go good.
- Vaibhav Shah:** And sir, on the inflow side, we guided for INR6,000 crores INR8,000 crores of inflows. So that is for FY '25, right?
- K. Venkatram Rao:** Yes correct.
- Vaibhav Shah:** Okay. And sir, in terms of execution, we are saying there will be a decline of around, say, 6%, 7%-odd for FY '25. So can '26 be a good amount of growth given the lower turnover in FY '25?

K. Venkatram Rao: That is based on what we told if we are receiving project of like MSRDC or other EPC project in Q4, so definitely we could able to do better in the '26. But if it is -- we are getting mostly HAM project, then again it will take further six months-to financial closure and after getting appointed date. So that's why '26 we have to really see in Q4 how much project is coming and in which sectors, whether EPC, HAM or BOT. So based on that '26 revenue we can able to tell, how much we will achieve in '26.

Vaibhav Shah: And lastly for the pipeline order, we said that 15% is the -- at 15%, we can start booking the revenue the milestone. So can we reset milestone by Q4 or it will be in next year?

K. Venkatram Rao: Then we can start with Q4. We will achieve milestone in Q4.

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

Moderator: Thank you very much. The next question is from the line of Vasudev from Nuvama. Please go-ahead.

Vasudev: Thank you for the opportunity, sir. Just one question from my side. What is the capex that we did in Q2 and how much are we planning for the second-half now?

K. Venkatram Rao: Actually, so-far we did in Q2, we did around INR4 crores only. So first-six months, we did around INR13 crores only. So definitely next this year, we are not really seeing any capex we are going to incur. But what are the project in Q4 is we are getting some project or based on that, we will really see. But based on current or whatever the order book is there for that not much capex is required.

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

Moderator: Thank you very much. The next question is from the line of Faisal Hawa from HG Hawa & Co. Please go-ahead.

Faisal Hawa: So sir, when we are now looking at taking Andhra Pradesh orders and even telling them more orders. So are we now changing our stance that we will now be a little more flexible in late payments and the usual difficulties associated with State Government? That's one.

Second is, sir, our now increased cash balances which increase our chances a lot in the large ticket BOT orders? And third is, sir, when do we plan to sell our projects to Cube or whoever other is interested for Kerala and other ones which are going to complete and what is the kind of return-on-equity that we are expecting on these projects?

K. Venkatram Rao: So first one is regarding for what, sir?

Faisal Hawa: We are going to now bid a lot for a lot of this Andhra Pradesh development projects and Telangana projects and even this Telangana river side projects. So -- and even telling that I did the State Government payments are usually not on-track and there's lot of follow-up to be done. So is the management now taking a change of stance that we can get that kind of headache and still try to get the orders?,

K. Venkatram Rao: AP, we are expecting projects they may start in coming couple of months onwards they start coming up because I think they are budgeting some amounts and Central Government is also sanctioning them some amounts. So with all that, they will start something and tenders will happen in couple of months. So maybe that is also expected by March-end only.

So that I think I heard about, say, INR20,000 crore worth of contracts may come up from that in this year. So we are not -- actually, sir, the main purpose of aiming the State Government fees generally see, they are very eager in developing their state, Andhra Pradesh.

And if they don't pay their development will stop and they will not be able to do. And we are also -- we will also go for a strategic way of doing it. We only invest 10%. If they don't pay for that 10%, we'll stop doing it. The other things are like that. And so we will have an alternate work.

These projects, equipment around to the same state we'll have -- even we have -- we are running projects are there with because in HAM projects are there other projects are there, there we can double the resources and speed-up the central government projects. So that can happen. So State Governments are focused because of the EPC model only sir. EPC is always give us more cash flows back and you know working capital is also less in that.

Faisal Hawa: When do we propose to sell our HAM projects and what is the kind of return-on-equity that we can make? Because I feel that will add another, I think, INR150 crores to INR200 crores extra cash-flow to us whenever that comes?

K. Venkatram Rao: Yes. Sir, we are discussing with a the prospective investors regarding the sale of our four HAM project. Out of that one project that's KNR that is our project is already we got the PCOD. Definitely by March actually, we should be able to close that project. And other three projects also because we are expecting that we will receive PCOD in the March, it will take further six months from there.

So you can say by March '26 actually, we could be able to on the sell-off our four BOT assets and return is definitely it is better than the last -- what we did in the last year, but return definitely is quite good actually.

Faisal Hawa: What is the total we have invested in these four HAM projects and what do we expect to get-out of them in March '26? Total?

K. Venkatram Rao: We have invested somewhere around INR500 crores actually. INR550 crores in these projects and we will definitely achieve better than our previous deal actually.

Faisal Hawa: So at least INR800 crores could come out of that total?

K. Venkatram Rao: We are just discussing with them actually, but better than the last deal what I can say.

Faisal Hawa: And sir, I missed about the Adani JV. So are we saying that we will bid together with Adani for most of the BOT projects and they will also put up money and so will we put up the money also?

K. Jalandhar Reddy: That they were asking for that and I'm not a little bit picking on it, because there are big people so do a EPC, take-away your money and then that's better having 30 years, 20 years relations per BOT project is going to be a bit tough I think very big people now. So tomorrow we don't even get appointment to discuss anything further with them. So same thing. So EPC is okay, do the work they pay and that's okay. We can walk out with our segment. That's what I'm thinking.

Faisal Hawa: You would prefer that you would just do the EPC from them not too much of their?

K. Jalandhar Reddy: EPC bid to them wherever there are INR3,000 crores, INR2,000 crores, INR4,000 crores projects are coming here. Size are the BOTs are now going to be in a big size. So that the competition is also going to be less when serious players are only going to participate because whose big guarantees are thirstly for that.

Faisal Hawa: So now our competition would be only IRB and very, very big companies?

K. Venkatram Rao: Very, very big companies. So -- and toll will be getting filtered. Those many people will not come.

Faisal Hawa: Correct.

K. Venkatram Rao: So we also in INR2000 below, we want to be a participate ourselves. Second, we even want to think of doing EPCs for the good player. We will give pre-tender EPC bid to them and they would exclusively. Their timing were exclusively is fine. That's what we are thinking.

Faisal Hawa: Correct. So sir, more on an intangible basis, this is one of the first times that in the last eight or nine quarters that I have seen you very relaxed and quite optimistic about getting orders. So can we read more into it than it looks at this time you are very confident of getting most of the orders through?

K. Jalandhar Reddy: Sure, it is all assumptions only. And of that, I can say that I'm very confident in getting one project at least and I'm struggling to get two projects, but at least one is -- one I'm going to get from Maharashtra, say about INR2,000 crores kind of thing. I think that will be a subcontract thing only.

Second, around 80, 85 projects which we have studied in this thing, HAM projects and we are quite confident of getting at least INR4000 crores to INR5,000 crores out of that. And even BOT tolls we are participating so around INR2,000 crore INR3,000 crores easily we can make from BOT tolls also. Maybe the time may increase, but that is possible.

Second, we are also hoping certain projects from Tamil Nadu sections. There are some EPCs and flyover projects are coming and we are now completing our Coimbatore flyover. So right before that, there are tenders coming up. So we are rightly placed. So we will be definitely participating in those tenders and we will try to get the jobs and at least one, two jobs we get, whose size is about INR1,000 crores to INR1,500 crores. That will be the thing.

And API, I am at least INR2,000 crore API may be and Karnataka also may come up with certain tenders, which are a bank funded or something that we are also looking up. And in the

department, we made an inquiry. The land acquisition is going on very serious on a few projects, which we will be trying to participate. And Telangana also there is some irrigation projects, there is road project, but time may vary.

- Faisal Hawa:** But there is some talk of some very River side big project also coming in the Telangana.
- K. Jalandhar Reddy:** Yes. That is also likely to come. I'm gearing up myself to participate in some of the STP projects also from there.
- Faisal Hawa:** We are qualified for that?
- K. Jalandhar Reddy:** So we have to take it in some JV.
- Faisal Hawa:** We can qualify for that river side project?
- K. Venkatram Rao:** For STP project we have to go with JV.
- Faisal Hawa:** Okay. Thanks a lot, sir. Wish you all the best.
- Moderator:** Thank you very much. The next question is from the line of Subrata Sarkar from Mount Intra Finance Private Limited. Please go-ahead.
- Subrata Sarkar:** Yes, sir, actually my question I think you have partly addressed. My point was like since we are not finding this HAM, this entire road sector as of now that attractive, why we are not trying to diverse into other areas, given that I believe we should have capability to address other areas also? I suppose you have addressed partly, but still if you want to add something.
- K. Jalandhar Reddy:** Yes. That's what I said. First of all, we would like to -- see, the scope is there. If you go for irrigation sector, it is very seasonal. If you go to railways and all, there is some contract but overcrowded is there and lesser margins are observed there. But if you focus on highways in NHAI, first thing is that the HAMs and all, a little bit sensible bidding may happen that is what we are thinking, better than EPC mode of contract.
- Second, we are thinking that toll projects could be having good margins than HAMs. So there is bright scope that we can get some stabilization on this thing. Right now, we have very less order in hand. I do agree one year visibility is also not there as of now. So we were thinking to stabilize from the own captive field what we have.
- And then later we will also think of diversifying into several sectors. As I rightly said that we have examined quite few other diversification sectors also. Like I said, CETPs we have examined and all that. So the troubles are on there. So definitely, if we are successful and the company returns are safe, definitely we are going to put in the money and we are going to do it.
- Moderator:** The next question is from the line of Abhishree Bang from JHP Securities Private Limited.
- Abhishree Bang:** So sir, actually I just have one request. If you would please come up with a comprehensive slide on one-offs, which would give us like-to-like comparison on financial performance, that would be very helpful for us.

- K. Venkatram Rao:** Actually we have given the detail in our listing format note. But okay, if you want -- because this is all -- one-off is there in one quarter only. May not be in the next quarter. But if you want any clarification, you can reach our investor advisor. We can clarify you.
- Moderator:** The next question is from the line of Uttam Kumar Simal from Axis Securities Limited.
- Uttam Kumar Simal:** Sir, last time you had mentioned that you have bid for an irrigation project in JV with NCC. So what is the current status of that?
- K. Venkatram Rao:** That is NCC -- we have bid for metro actually. That is metro project in Bhubaneswar. We have not got actually. We are not L1 on that project.
- Uttam Kumar Simal:** Okay. And sir, what is the current status of ordering in the Andhra Pradesh government since the new government has come? Are you seeing any meaningful order coming from this new government?
- K. Jalandhar Reddy:** Yes. That Amravati Development Authority is now being formed. Earlier, it was scrapped. So now they are starting from scratch. So it is taking some time that is what they are saying. So I think within two months, I think they will be able to call the bid. And because they are getting allotment from central government as they are helping the central government to be in power. So they will likely to get more funds also.
- Uttam Kumar Simal:** So, what kind of bidding pipeline would be there, if you can quantify that if you have some information on that?
- K. Jalandhar Reddy:** I heard about say INR20,000 crores. Around INR3,500 crores they are budgeting themselves. And INR15,000 crores were committed by the central government through some bank loan or something. So those are all proposals have been now prepared. So around INR20,000 crores is in their flow.
- K. Venkatram Rao:** They are also tying with World Bank and ADB also for funding of that.
- Uttam Kumar Simal:** So this will be, sir, basically in the road or irrigation or it will include everything?
- K. Venkatram Rao:** It will be considered. That's what in the news, sir.
- Moderator:** The next question is from the line of Abhishek Pipariya from ICICI Bank Limited.
- Abhishek Pipariya:** My query is regarding the NHAI dependency on the overall order book. So what is our -- currently we have around INR4,406 crores of order book. So what is our NHAI funded or dependency projects?
- K. Venkatram Rao:** NHAI related project it is around 42% actually.
- Abhishek Pipariya:** 42%. Okay.
- Moderator:** The next question is from the line of Saket Kapoor from Kapoor Company.

- Saket Kapoor:** Sir, firstly, you alluded to this INR1,100 crores pipeline project. If you could just dwell, sir, what is the scope of work here and which segment it is this pipeline related to, oil and gas or water?
- K. Jalandhar Reddy:** No. It is on drinking water supply and sewage management.
- Saket Kapoor:** In which state it is, sir?
- K. Jalandhar Reddy:** In Telangana only.
- Saket Kapoor:** In Telangana?
- K. Jalandhar Reddy:** Yes.
- Saket Kapoor:** Sir, you also mentioned...
- K. Jalandhar Reddy:** We need to construct the water tank and that STP and pipelines and we have to give it through taps to the public actually.
- Saket Kapoor:** So this falls under the Jal Jeevan Mission scheme? Come again, sir.
- K. Venkatram Rao:** It is like Jal Jeevan, but it is under AMRUT 2.0 scheme of the central government. It is awarded under AMRUT 2.0 scheme. It is the same like you told Jal Jeevan only. We have to provide the drinking water to each house basically. This is basically the scope.
- Saket Kapoor:** Sir, there is lot been spoken about the river linking project also. And what do you see things on ground, sir, in terms of this picking up and the scope companies like us would be gardening?
- K. Venkatram Rao:** Sir, definitely, we are expecting under this Modi 3.0, this river linking project, they will take-up this project because this term they are more concentrating on railway and other sectors other than road what we have seen that. So definitely river linking project is there in Madhya Pradesh and Uttar Pradesh and now in even our area also like in Krishna and Kaveri also they are linking, so their projects will come definitely. So we are expecting that once this project will come, we could be able to bid that project.
- Saket Kapoor:** Right, sir. And sir, you mentioned about your lacklustre performance from the solar EPC and the railway part of the story. Can you dwell further where are you finding the issues cropping up in terms of solar EPC and also work from railways, which is being a cause of concern you mentioned in your earlier remarks?
- K. Venkatram Rao:** Yes, because basically concerns of solar EPC is very, very thin margin actually project. So we want to diversify in the other sectors, but now we are seeing lot of visibility is there in even roads and other sectors, actually other state projects like sir told in Tamil Nadu, Andhra Pradesh, Telangana and even in Karnataka.
- So that's why now we are not much focused on that sector because they are the thin margin and these are the projects is there where we are very expert. So definitely we thought that let concentrate on these projects, NHAI and these state project and bag actually most of the projects from these entities.

- Saket Kapoor:** And sir, for H2, you are pointing towards lower turnover than what we did for H1. This is what you alluded to.
- K. Venkatram Rao:** H2 actually we did lower turnover.
- Saket Kapoor:** Okay, sir. What should be tentatively closing in terms of our execution? On a consol level, we did around INR2,900 for the first half. And last year, it was INR4,430 crores.
- K. Venkatram Rao:** There is a one-off of there actually in this quarter regarding our Muzaffarpur project. That's why it is more, but you can say it will be in the same range as the last year only, except if you exclude the exceptional item.
- Saket Kapoor:** Right. And sir, of late there are also some tendering which happened for the BharatNet project. Also, we are not an expertise there, we have seen road developing companies also like DBL and all participated in that. So what's the thought process sir here and we did not opted for it.
- K. Venkatram Rao:** We have not seen that project actually as of now. So we are not able to comment on it. We have not seen that type of project, sir.
- Moderator:** The next question is from the line of Parikshit Kandpal from HDFC Securities.
- Parikshit Kandpal:** Regarding all these claims, so all the money has been realized. Cash has come?
- K. Venkatram Rao:** All money is realized, yes.
- Parikshit Kandpal:** So only INR130 crores which you said in this quarter will come like additional?
- K. Venkatram Rao:** That is from another project actually, that is what has been our numbers. That is high. So that will come in this Q3.
- Parikshit Kandpal:** And just on the, one last question on this Muzaffarpur-Barauni project, so how much is the investment and loss funding and total outgo from our side and how much we have received overall?
- K. Venkatram Rao:** Actually, around INR175 crores investment from other side actually, our side, that we have received entire and additionally INR140 crores we have received, so total around INR317 crores we received from that SPV.
- Parikshit Kandpal:** So this is in line with the termination payments, which generally happens in case of any change.
- K. Venkatram Rao:** It is definitely. Because it is against that settlement of entire and handing over the project and so based on that settlement agreement, so this figure has arrived.
- Moderator:** The next question is from the line of Saket Kapoor from Kapoor and Company. Mr. Saket, your line has been unmuted.
- Saket Kapoor:** Yes, ma'am. Sir, for the AMRUT 2.0 scheme, can you give us some color how the pipeline looks like, the bid pipeline especially?

- K. Venkatram Rao:** This pipeline project that was there in AMRUT 2.0 scheme of the central government, so we have not seen the entire scheme of that actually, but this project was coming to Telangana and we are there from Telangana. So we thought that that's why take this project, but we have not seen that pipeline from AMRUT 2.0 project actually. Pipeline will be there because it is there for pan India, but we are very focused in our part of the territory. That's why we have not seeing that.
- Saket Kapoor:** So for the state of Telangana and Karnataka and Tamil Nadu, do we see other bids being floated for these type of projects which falls under the AMRUT scheme or the Jal Jeevan scheme? Do you find other projects also wherein we will participate?
- K. Venkatram Rao:** We have seen only in the Telangana where we have participated. Other state we have not looked actually into.
- Saket Kapoor:** Okay. And sir, out of the total revenue for the first half of INR2,900 crores, what should we exclude as the exceptional part? Because in other income, we have mentioned at INR168 crores. So in the revenue also, we have booked some extraordinary income or is it only the other income part?
- K. Venkatram Rao:** Revenue from operation also there for the first six months around INR88 crores has been booked actually, revenue from the operation.
- Saket Kapoor:** Okay. So we need to exclude INR88 crores from INR2930 crores. That is what you were saying.
- K. Venkatram Rao:** You have to exclude INR960 crores also in the consol level. If you are talking about the consol, then you have to exclude that INR960 crores also.
- Saket Kapoor:** Okay. So from INR2,930 crores we have to include INR960 crores?
- K. Venkatram Rao:** Yes, INR960 crores plus INR88 crores.
- Saket Kapoor:** Plus INR88 crores. Okay. So that works out to around INR1,800 crores. INR1,882 crores is the revenue profile.
- K. Venkatram Rao:** You can work out. It will be that only.
- Saket Kapoor:** Yes, I can work out. And we are looking again closer to INR4,000 crores on the basis of the core work that is left to be executed.
- K. Venkatram Rao:** But on a stand-alone basis, definitely INR4,000 crores looks so difficult. We may close somewhere between INR3,500 crores to INR3,600 crores only.
- Saket Kapoor:** INR3,500 crores to INR3,600 crores. And the margins will be maintained, sir, the way we have done H1?
- K. Venkatram Rao:** We are trying to. Because our guidance is always actually between 13% to 14%. We will try to achieve more than our guidance only.



- Saket Kapoor:** Okay. And sir, what are the ways to reward your investors since now you are in comfortable position, the cash balances are there and the project completion are there and you are looking to diversify, but in a very proactive manner. So what should investor community look forward from KNR management?
- K. Venkatram Rao:** Definitely, whatever the cash is available because we have our future plan to invest in the HAM project and BOT project. So we have to generally use our cash for the growth of the company. So that's why we have to give that good return to the investors by growing the company to the next level. So we are working towards that only. So that is the reward actually investor is going to get.
- Saket Kapoor:** Okay. So we have to look forward in the way how the order pipeline works out for the HAM and the BOT segment and how we participate. That is what we should be looking forward to.
- K. Venkatram Rao:** Yes. Definitely.
- Moderator:** Thank you very much. I will 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 Relations Consultant Strategic Growth Advisor or ask directly should you have any further queries. We can now close the call. Thank you.
- Moderator:** Thank you so much, sir. On behalf of KNR Constructions Limited that concludes this conference. Thank you for joining us and you may now disconnect your lines.