Investor Presentation

February 2015

KNR CONSTRUCTIONS LIMITED

KNR House, 3rd & 4th Floor,
Plot No.114, Phase-1, Kavuri Hills,
Jubilee Hills, Hyderabad - 500 033
Phone No. 040-40268759/61/62, Fax No. 040-40268760
E-mail: info@knrcl.com

A Well Established Name in Roads & Highway Constructions

Disclaimer

KNR CONSTRUCTIONS LIMITED

This presentation is for information purposes only and does not constitute an offer, solicitation or advertisement with respect to the purchase or sale of any security of ***KNR Constructions Limited*** (”Company”) and no part of it shall form the basis of or be relied upon in connection with any contract or commitment whatsoever.

Any person placing reliance on the information contained in this presentation or any other communication by the Company does so at his or her own risk and the Company shall not be liable for any loss or damage caused pursuant to any act or omission based on or in reliance upon the information contained herein.

This presentation is not a complete description of the Company. Certain statements in the presentation and, if applicable, the subsequent question and answer session and discussions concerning Company’s future growth prospects, are forward looking statements which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward looking statements. Any opinion, estimate or projection herein constitutes a judgment as of the date of this presentation, and there can be no assurance that future results or events will be consistent with any such opinion, estimate or projection. The information in this presentation is subject to change without notice, its accuracy is not guaranteed, it may be incomplete or condensed and it may not contain all material information concerning the Company. We do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date of this presentation or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

All information contained in this presentation has been prepared solely by the Company. No information contained herein has been independently verified by anyone else. No representation or warranty (express or implied) of any nature is made nor is any responsibility or liability of any kind accepted with respect to the truthfulness, completeness or accuracy of any information, projection, representation or warranty (expressed or implied) or omissions in this presentation.

The distribution of this document in certain jurisdictions may be restricted by law and persons into whose possession this presentation comes should inform themselves about, and observe any such restrictions.

The Company accepts no liability whatsoever for any loss, howsoever, arising from any use or reliance on this presentation or its contents or otherwise arising in connection therewith. This presentation may not be used, reproduced, copied, distributed, shared, or in any other manner disseminated. “

KNR CONSTRUCTIONS LIMITED

Business Overview

Business Overview

KNR CONSTRUCTIONS LIMITED

- **One of the leading companies providing Engineering, Procurement and Construction (EPC) services**
  - ✓ Major Projects in Roads & Highways – one of the fast growing sector
  - ✓ Established presence in Irrigation and Urban Water Infrastructure Management
- **20 years of experience of project execution**
  - ✓ Successfully executed ~5,400 lane km Road Projects
  - ✓ Projects executed across 12 states in India
- **Portfolio of 3 BOT Projects**
  - ✓ 670 lane Kms Projects in the state of Telangana, Karnataka & Kerala
  - ✓ 2 Completed Annuity based Projects & 1 Toll based Project under construction
- **Strong EPC Order-book of Rs. 12,129 mn as of December '14**
  - ✓ Rs. 11,413 mn in Roads sector; Rs. 716 mn in Irrigation

- ✓ **To develop KNRCL as a Centre of excellence in the field of Infrastructure.**
- ✓ **To add more business verticals to the organization in the fields of construction of Elevated Metro Rail and Railway Projects**

Vision

Transformation

KNR CONSTRUCTIONS LIMITED

2013	*3rd BOT Toll project worth Rs.9,005 mn in Kerala*
2012	*Early completion of Biggest Road Project – Bijapur Hungund Section of Rs. 8,250 mn - 11 months ahead of schedule*
2010	*Received single biggest work order value of Rs. 8,250 mn from Sadbhav Engineering Ltd for construction of Bijapur Hungund Road project*
2008	*IPO & Listed on BSE and NSE*
2007	*2nd BOT project worth Rs.5,920mn in Telangana*
2006	*1st BOT Project in Karnataka worth Rs. 4,420 mn; Entry into Urban water Infrastructure with contract in Bangalore*
1995	*Incorporated & Commenced EPC Business*

Management…

KNR CONSTRUCTIONS LIMITED

Mr. K.Narasimha Reddy – Founder Promoter & Managing Director

- **Over 46 years of experience in the Highway sector**
- **Started career in 1968 and engaged in the business of undertaking civil and mechanical contracts**
- **Extensive knowledge and experience in multi project planning Scheduling, cost controls in addition to overall construction and multi project management & driving force in taking the company towards greater heights**

Mr. K. Jalandhar Reddy – Promoter & Executive Director

- **Over 18 years of experience in the Highway and infrastructure sector**
- **Started his career with the organisation as a project Manager and was elevated to Executive Director on April 1, 1997**
- **Heads the tendering and bidding activities and is in charge of most of the projects in Southern India**

Supported by Professional Team

KNR CONSTRUCTIONS LIMITED

Mr. K. Saravana Kumar (Senior Vice President)

- A Post Graduate in Civil Engineering from IIT, Kanpur with more than 25 years of professional experience in Highway Sector
- Has varied work experience of serving in the Private & Govt. sector incl. 15 years in NHAI

Mr. T.L. Verma (Vice President - Projects)

- A Bachelor of Engineering (BE) from MITS Gwalior (MP) with Over 35 years of total experience with ~20 years of experience in Highway sector
- Working with the company since 2006 on various projects i.e. Bridges and Highways, including construction of Concrete Roads

Mr. G Sravana Kumar (GM - Finance & Accounts)

- A Fellow Member of the Institute of Chartered Accountants of India with 18 years of experience in the areas of finance, accountancy and taxation
- Working with the company since 2006 and has the overall responsibility for the finalization of corporate accounts, taxation, finance and related jobs

Mr. M.V. Venkata Rao (Company Secretary)

- A Fellow Member of the Institute of Company Secretaries of India
- Working with the company since 2007 and has the overall responsibility towards compliance of Rules & Regulations laid down by various authorities

KNR CONSTRUCTIONS LIMITED

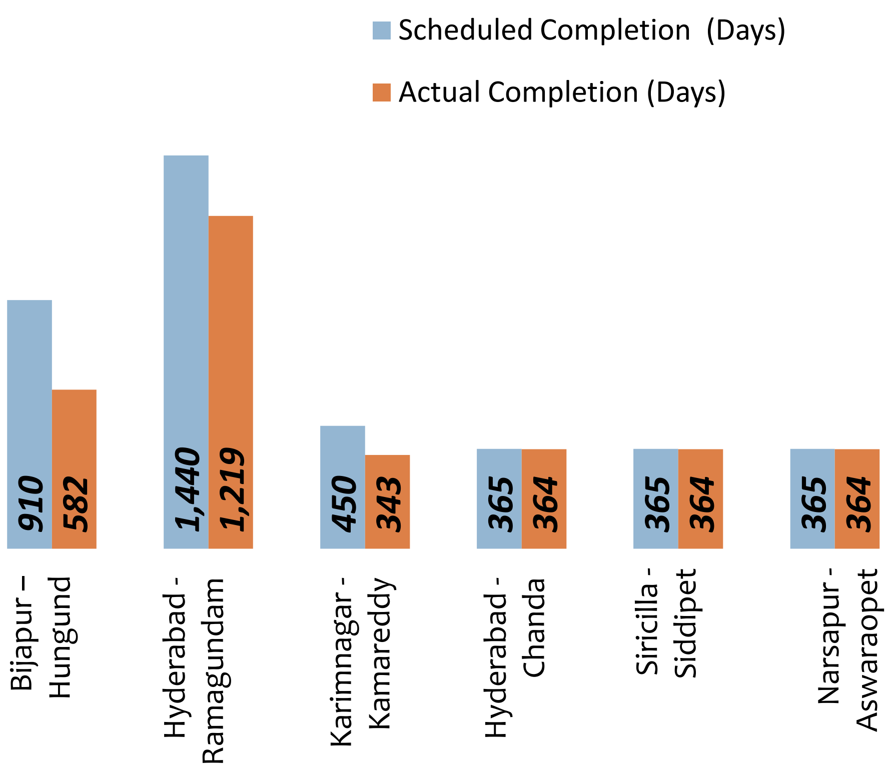
Key Business Strengths

1. Project execution

KNR CONSTRUCTIONS LIMITED

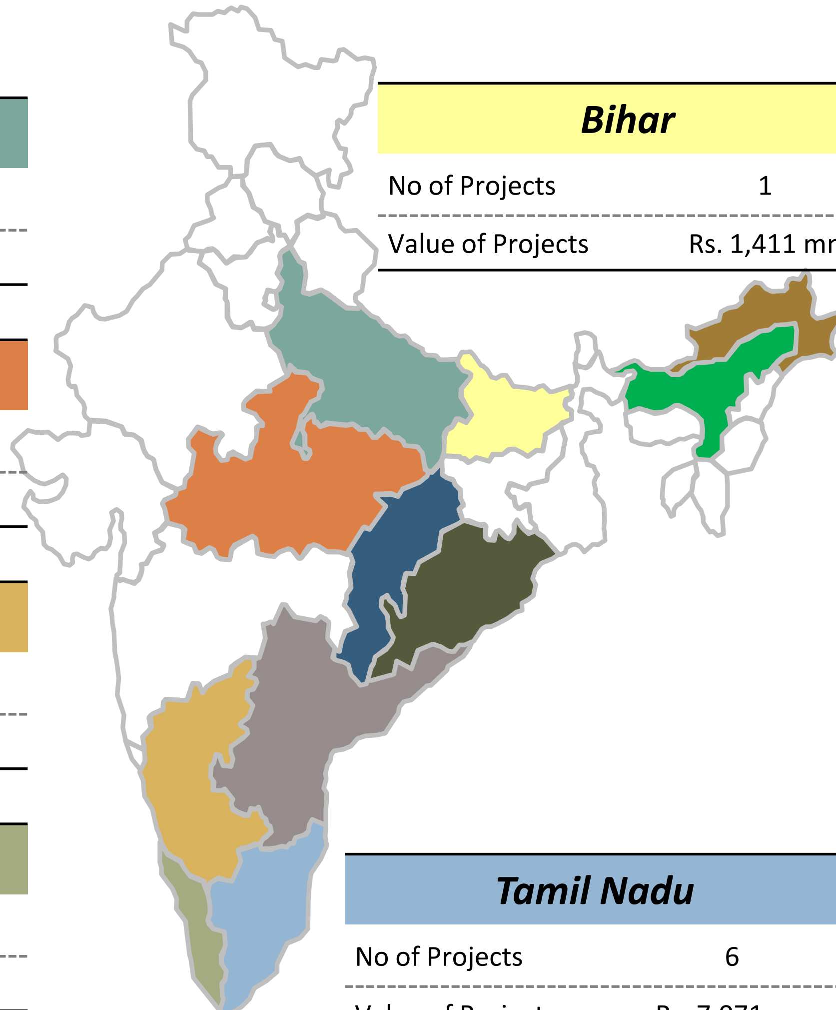
Significant experience and Strong track record in timely execution of Projects

- **Top management's active involvement at all stages of Project execution**
  - ✓ **Selection of Major Raw Material**
  - ✓ **Selection of construction Camp location**
- **Faster Decision making to ensure project completion on schedule**
- **Received Bonus for completion of construction ahead of schedule**



Pan India Project Execution* Capability

KNR CONSTRUCTIONS LIMITED



Uttar Pradesh

No of Projects	4
Value of Projects	Rs. 1,704 mn

Madhya Pradesh

No of Projects	5
Value of Projects	Rs. 7,941 mn

Karnataka

No of Projects	14
Value of Projects	Rs. 21,084 mn

Kerala

No of Projects	3
Value of Projects	Rs. 7,905 mn

Bihar

No of Projects	1
Value of Projects	Rs. 1,411 mn

Tamil Nadu

No of Projects	6
Value of Projects	Rs. 7,071 mn

Arunachal Pradesh

No of Projects	1
Value of Projects	Rs. 920 mn

Assam

No of Projects	2
Value of Projects	Rs. 1,913 mn

Chhattisgarh

No of Projects	1
Value of Projects	Rs. 264 mn

Orrisa

No of Projects	1
Value of Projects	Rs. 2,313 mn

AP & Telangana

No of Projects	8
Value of Projects	Rs. 15,771 mn

Map not to scale
Does not depict political boundaries

* Projects executed in last 5 years

Project Execution Highlights

KNR CONSTRUCTIONS LIMITED

❖ Cement Concrete Road

- ✓ Completed Widening to 4/6 lanes and Strengthening of Existing two lane carriageway of NH – 5 in the State of Orissa for a length of 56.0 Kms with total contract value of work is Rs 2,310 mn
- ✓ Existing road was widened & strengthened with flexible pavement but, new 2- lane road was constructed with concrete (PQC)
- ✓ Concrete road was paved for a width of 8.75m with G&Z slip form paver having automatic device for placement of tie bars and dowel bars at fixed interval
- ✓ Concreted Batching Plant was installed with a capacity compatible with the paving capacity of G&Z paver for better quality control of PQC Road

❖ Hard Rock Excavation

- ✓ 2.6 Millions Cubic Meters deep hard rock excavation was done in the work of four laning of Islam Nagar (KM 230.00) to Kadtal (KM 278.00) of Nagpur –Hyderabad Section on NH-7 in the State of Telangana

2. In-house Construction Equipment

KNR CONSTRUCTIONS LIMITED

World Class Construction Equipments
Use of Right tools for right work

Sl. No.	Name Of The Machinery	Qty
1	Tippers	556
2	Excavators	164
3	Compactors	65
4	Concrete Mixers And Pumps	43
5	Loaders	40
6	Pavers	38
7	Crushers	33
8	Graders	33
9	Tractors	31
10	Cranes	30
11	Tankers	28
12	Transit Mixers	22
13	Rollers	20
14	Batching & Mixing	19
15	Breakers	13
16	Hot Mix Plant	12
17	Drillers	12
18	Dozers	11
19	Wet Mix Plant	11
20	Drum Mix Plant	9
	Gross Block of Plant & Machinery *	***Rs. 4,405mn***


250 TPH Nawa Crushing Plant


240 TPH D & G Hot Mix Plant

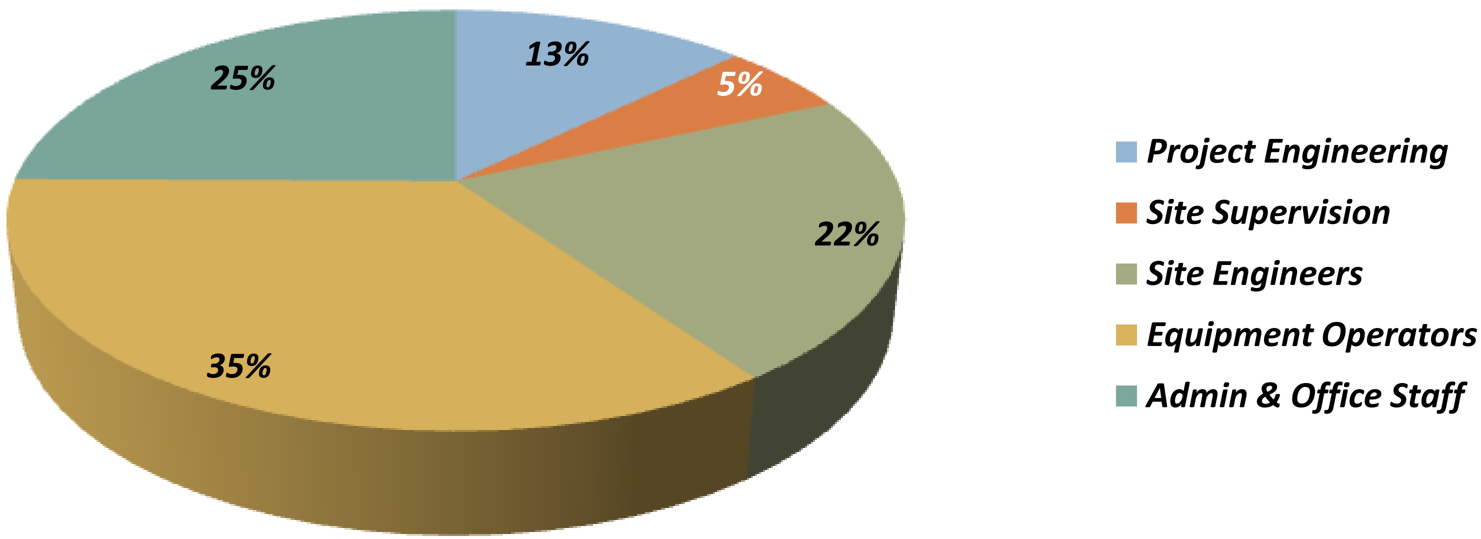
****** as at 31.12.2014***

3. In-house Execution Team

KNR CONSTRUCTIONS LIMITED

In-house team of ~700 Qualified and experienced employees

led by proven management team



4. Reputed Clientele

KNR CONSTRUCTIONS LIMITED

National Highways Authority of India (NHAI)	*Andhra Pradesh Road Development Corporation (APRDC)*
Ministry of Road Transport & Highways (MoRTH)	*Hyderabad Growth Corridor Limited (HGCL)*
Karnataka State Highway Improvement Project (KSHIP)	*Karnataka Road Development Corporation (KRDCL)*
Madhya Pradesh Road Development Corporation Limited (MPRDCL)	*Bruhat Bangalore Mahanagara Palike (BBMP)*
Uttar Pradesh State Highways Authority (UPSHA)	*NMDC Limited*

4. Reputed Clientele (cont.)

KNR CONSTRUCTIONS LIMITED

Govt. of A.P.	*A.P. Irrigation (Government of Andhra Pradesh)*	GMR	*GMR Projects Private Limited*
EIL	*Engineers India Limited (Government of India Undertaking)*	Sadbhav TODAY FOR TOMORROW	*Sadbhav Engineering Limited*
	Public Works Department (Government of Arunachal Pradesh)	OSE ORIENTAL	*Oriental Structural Engineers Pvt. Ltd.*

KNR CONSTRUCTIONS LIMITED

BOT Portfolio

BOT Portfolio – Completed Projects

KNR CONSTRUCTIONS LIMITED

	Particulars	Patel KNR Infrastructures limited(PKIL)	Patel KNR Heavy Infrastructures Limited(PKHIL)
Project Details	Stake	40 %	40 %
	Project Type	Road-Annuity	Road-Annuity
	State	Karnataka	Telangana
	JV Partner	PEL	PEIL
	Client	NHAI	NHAI
	Length(KM)	60.00	53.00
Terms	Concession Start Date	26th March 2007	2nd March 2008
	Concession Period	20 Years	20 Years
	COD	21st December 2009	11th June 2010
Financials	Project Cost	Rs. 4,420.0 mn	Rs. 5,920.0 mn
	Equity (31.12.2014)	Rs. 370.0 mn	Rs. 496.7 mn
	Debt (31.12.2014)	Rs. 3,341.4 mn	Rs. 4,953.5 mn
	Securitized	Yes*	Yes**
	Semi-Annutiy - 36 Instalments	Rs. 329.4 mn	Rs. 443.7 mn

* PKIL securitized its project loan through issuance of non-convertible debentures to LIC of India & raised Rs. 4090 mn in April 2010. The said proceeds were used to retire the existing high cost project loan and unsecured loans of promoters and to meet the issue expenses.

**PKHIL securitized its project loan through issuance of non-convertible debentures to L&T Infrastructures Finance Company Limited and raised Rs 4000 mn in Sept. 2013. The said proceeds were used to retire the existing high cost project loans (Other than the ECB of USD 25 Millions availed from the Standard Chartered Bank , London) and unsecured loans of promoters and to meet the issue expenses.

BOT Portfolio – Under Construction

KNR CONSTRUCTIONS LIMITED

	Particulars	KNR Walayar Tollways Private Limited
Project Detail	Stake	100%
	Project Type	Road-Toll
	State	Kerala
	JV Partner	-
	Client	NHAI
	No of Lanes	Two to Four
	Length(KM)	54.00
Terms	Concession Start Date	18^{th} May 2013
	Concession Period	20 Years
	Scheduled COD	15^{th} Nov.2015
	Revenue Sharing	Grant
Financials	Project Cost	Rs. 9,005.1 mn
	Equity (Including Grant)(31.12.2014)	Rs. 2,852.81 mn
	Debt (31.12.2014)	Rs. 3,565.60 mn
	Status(31.12.2014)	~78% of Work Completed
	Toll Revenue Expected	Rs. 259.6 mn in 1st year and Rs. 783.3 mn in 2nd Year

Walayar –Vadakkancherry Project

KNR CONSTRUCTIONS LIMITED

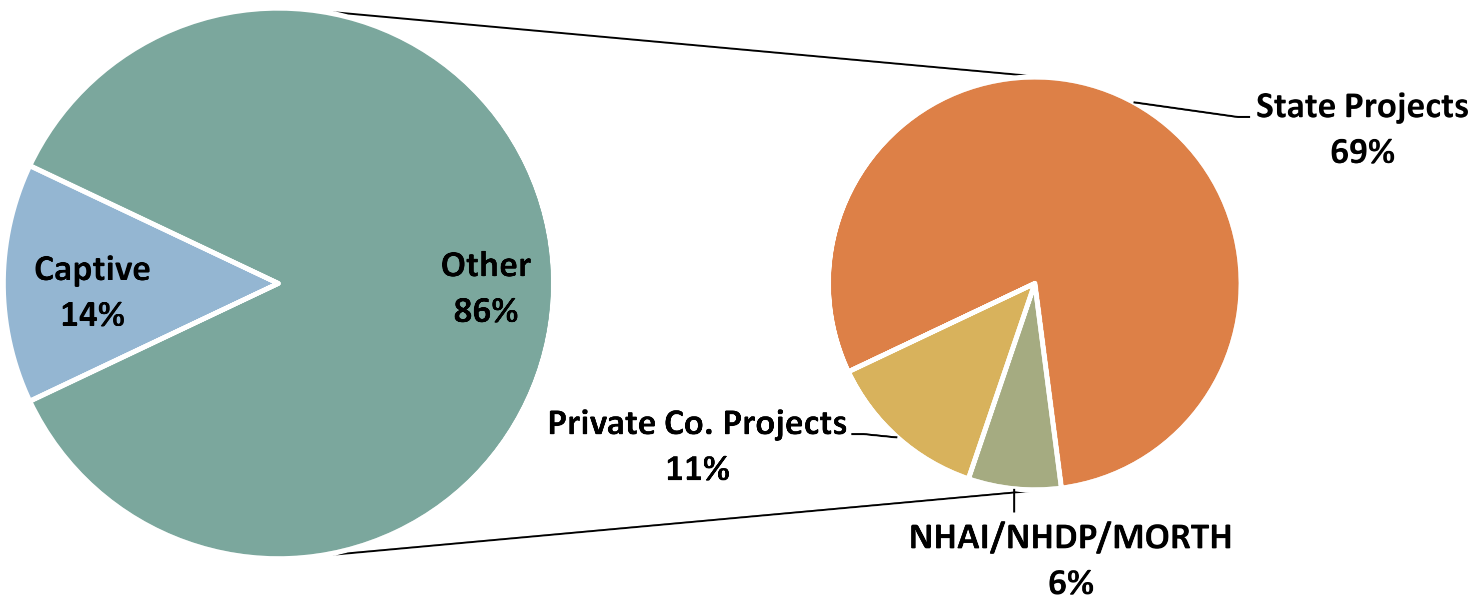
- KNR Walayar Tollways Private Limited is a wholly owned subsidiary of KNR Constructions Limited, incorporated as an SPV for execution of Walayar Road Project
- Overall Progress as on 31st December 2014
  - ✓ Physical Progress: 78.15% against 65.70% planned
  - ✓ Financial progress: 78.40% against 67.41% planned
- Caters to commercial traffic towards Kochi Port and Kochi International Container Transshipment Terminal
- The project road serves as an arterial link to most of the important southern cities such as Salem, Erode, Coimbatore, Trissur, Palakkad, Kochi, Alappuzha, Kollam, Thiruvananthapuram and Nagercoil
- Major industries like Wise Park, HP Gas Plant, ITI, BPL, UB, Instrumentation Limited, Percot Meridan, BEML etc. are located in this section

KNR CONSTRUCTIONS LIMITED

Order Book &
Business Strategy

Order-book Break-up

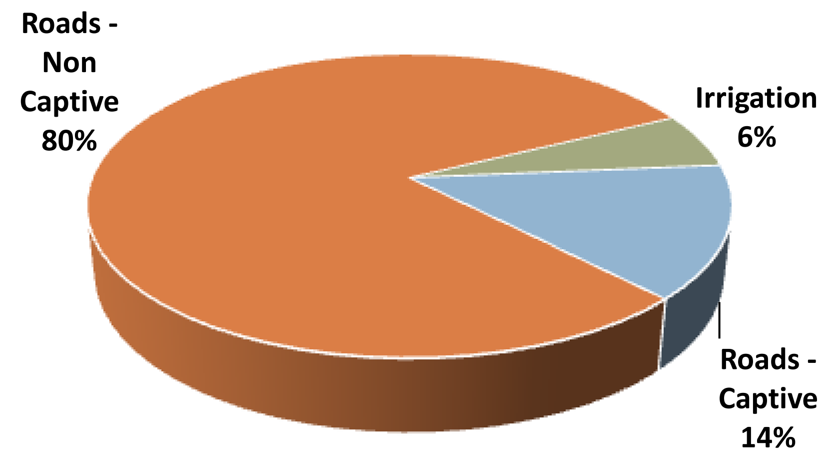
Order book of Rs. 12,129 million as on 31st December 2014

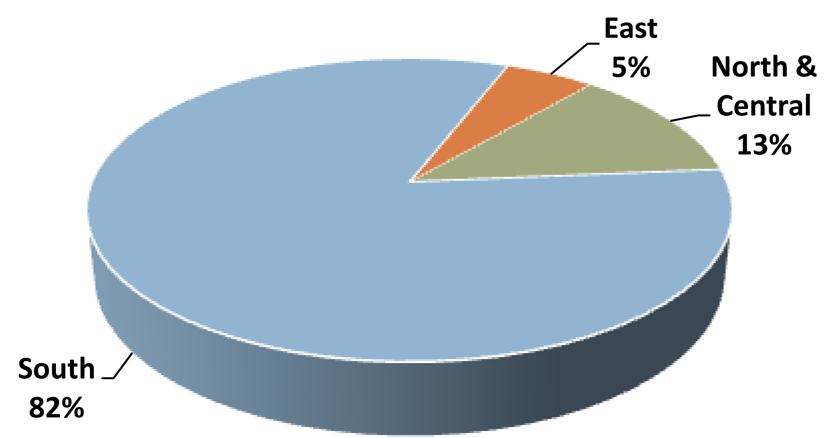


Order-book Highlights

KNR CONSTRUCTIONS LIMITED

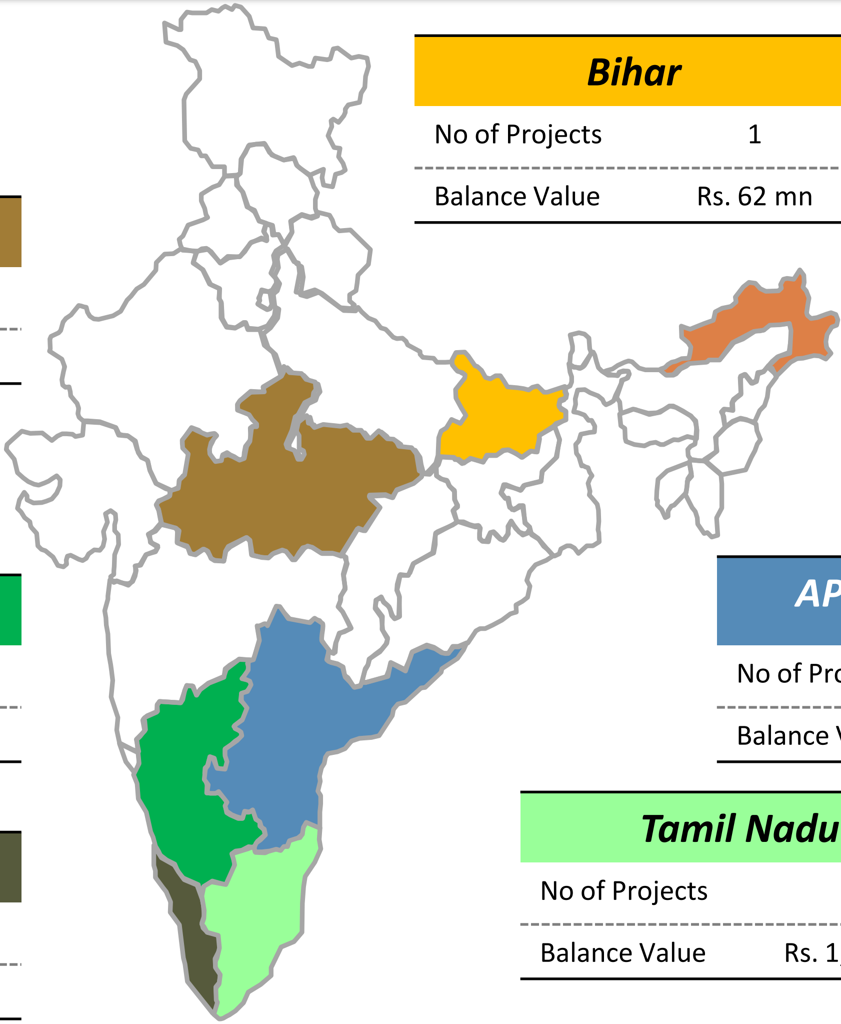
Key Projects	*Rs. mln*
Rehabilitation and up gradation of existing Penchalakona to Yerpedu section	*2,007*
Four laning of Walayar – Vadakkancherry (Captive BOT Project)	*1,708*
Flyover Coimbatore city	*1,375*
Upgradation of the Road from Magadi NH-48 to Koratagere of SH-3 in Ramnagara and Tumkur Districts	*698*
2 laning of State Road from Gobuk – Mariyang – Sijhon Nallah in Arunachal Pradesh under Arunachal Pradesh Package of SARDP-NE	*649*
Top 5 Road Projects	***6,437***
Other Road Projects	*4,976*
Irrigation Projects	**716**
Total	**12,129**
Order Completion	***66%***





Order-book: State-wise

KNR CONSTRUCTIONS LIMITED



Bihar

No of Projects	1
Balance Value	Rs. 62 mn

Madhya Pradesh

No of Projects	4
Balance Value	Rs. 1,436 mn

Arunachal Pradesh

No of Projects	1
Balance Value	Rs. 649 mn

Karnataka

No of Projects	9
Balance Value	Rs. 2,615 mn

AP & Telangana

No of Projects	7
Balance Value	Rs. 3,712 mn

Kerala

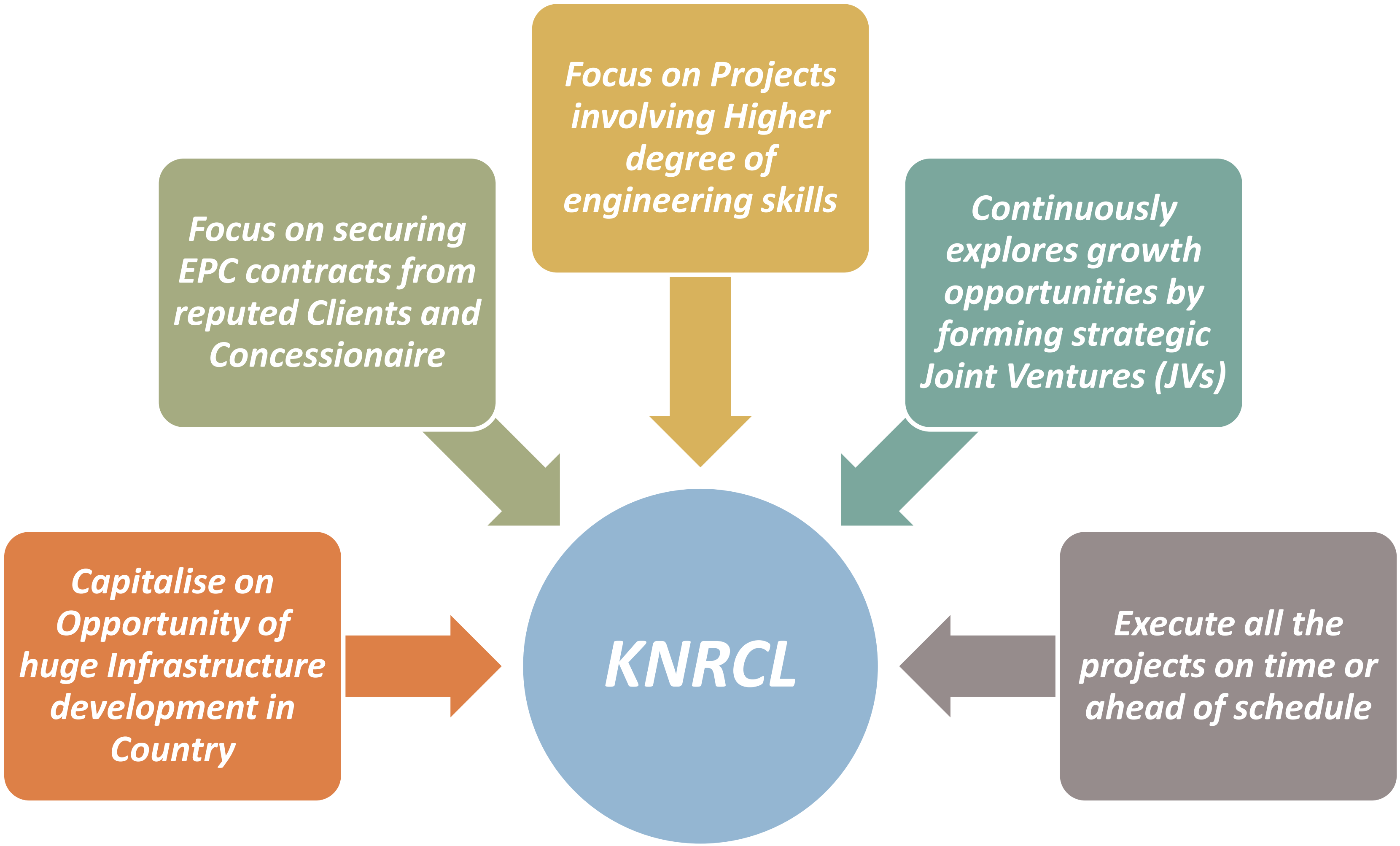
No of Projects	2
Balance Value	Rs. 1,817 mn

Tamil Nadu

No of Projects	2
Balance Value	Rs. 1,837 mn

Map not to scale
Does not depict political boundaries

Business Strategy



KNR CONSTRUCTIONS LIMITED

Financial Highlights

Standalone Financial Results

KNR CONSTRUCTIONS LIMITED

Rs. Million	Q3 FY15	Q3 FY14	YoY	9m FY15	9m FY14	YoY
Total Revenue	***2,135.6***	***2,088.7***	***2%***	***6,204.6***	***5,743.6***	***8%***
Operating Expenses	1,518.6	1,446.4		4,374.0	3,958.5	
Employees Expenses	96.3	86.3		270.5	260.5	
Other Expenditure	220.5	212.6		645.7	638.9	
EBITDA	***300.2***	***343.3***	***-13%***	***914.4***	***885.7***	***3%***
EBITDA margin	***14.1%***	***16.4%***		***14.7%***	***15.4%***	
Other Income	20.1	18.8		70.6	48.9	
Depreciation	128.9	143.8		414.8	431.4	
Interest	28.6	30.9		90.7	112.8	
PBT	***162.8***	***187.5***	***-13%***	***479.5***	***390.5***	***23%***
Tax *	14.0	52.8		-6.8	60.8	
Profit After Tax	***148.8***	***134.6***	***11%***	***486.3***	***329.7***	***47%***
PAT margin	***7.0%***	***6.4%***		***7.8%***	***5.7%***	

* **Reduction in income tax liability is mainly on account of** claiming of deduction of profits under Section 80 IA for the eligible projects executed .

Balance sheet

KNR CONSTRUCTIONS LIMITED

Rs. in Million	Sept-14	Mar-14
Shareholder's Fund	***5,333***	***5,133***
Share capital	281	281
Reserves & Surplus	5,052	4,852
Minority Interest	--	--
Non-Current Liabilities	***936***	***1,081***
Long term borrowings	11	83
Other Long Term Liabilities	913	987
Long Term Provisions	12	11
Current Liabilities	***3,474***	***3,332***
Short Term Borrowings	603	498
Trade Payables	557	787
Other Current Liabilities	1,786	1,622
Short Term Provisions	528	425
Total Equity & Liabilities	***9,743***	***9,546***

Rs. in Million	Sept-14	Mar-14
Non-Current Assets	***5,212***	***5,481***
Fixed Assets	2,307	2,640
Non-current Investments	247	248
Deferred Tax Assets (Net)	192	118
Long Term Loans & Advances	1,660	1,612
Other Non-Current Assets	806	863
Current Assets	***4,531***	***4,065***
Current Investments	107	152
Inventories	364	341
Trade Receivables	864	1,171
Cash & Cash Equivalents	202	112
Short Term Loans & Advances	1,716	1,466
Other Current Assets	1,278	823
Total Assets	***9,743***	***9,546***

Amongst very few companies in the infrastructure sector , the company's Long Term bank loan facilities are rated as A- and Short Term bank loan facilities are rated as A2+ by CRISIL , reflecting strong execution capabilities and robust financial risk profile

Financial Highlights

KNR CONSTRUCTIONS LIMITED

Financial Year	2010	2011	2012	2013	2014
Turnover	Rs. 7,125	Rs. 7,930	Rs. 7,505	Rs. 6,921	Rs. 8,348
	$118.6	$132.0	$125.0	$115.2	$139.0
EBITDA	Rs. 1,121	Rs. 1,356	Rs. 1,338	Rs. 1,164	Rs. 1,258
	$18.7	$22.6	$22.3	$19.4	$20.9
Profit before Tax (PBT)	Rs. 826	Rs. 897	Rs. 784	Rs. 670	Rs. 669
	$13.8	$14.9	$13.1	$11.2	$11.1
Profit after Tax (PAT)	Rs. 503	Rs. 568	Rs. 528	Rs. 521	Rs. 610
	$8.4	$9.5	$8.8	$8.7	$10.2
EPS	Rs. 17.88	Rs. 20.21	Rs. 18.76	Rs. 18.54	Rs. 21.68
	$0.30	$0.34	$0.31	$0.31	$0.36
Net Worth	Rs. 3,008	Rs. 3,520	Rs. 4,024	Rs. 4,521	Rs. 5,106
	$50.1	$58.6	$67.0	$75.3	$85.0

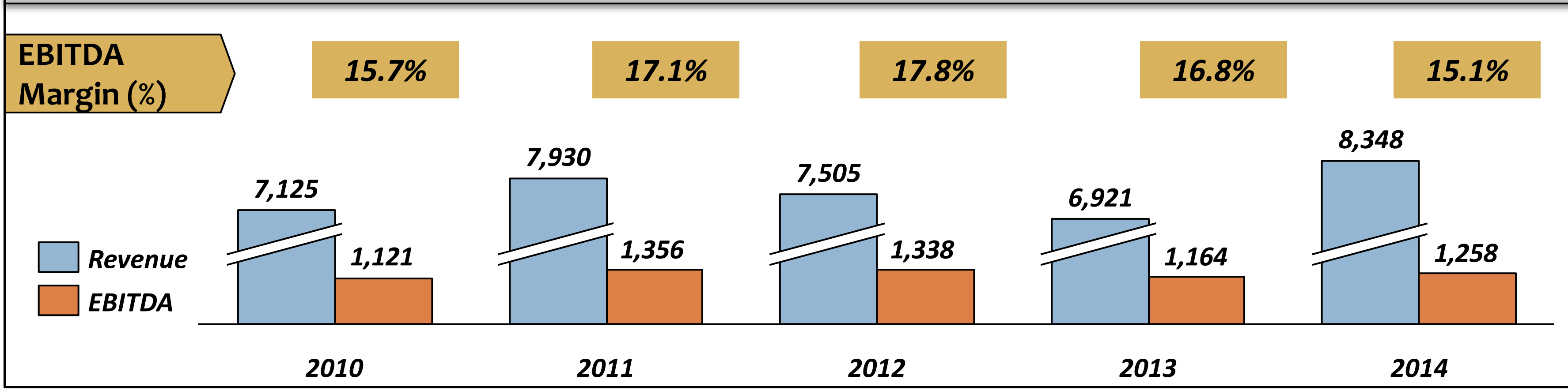
1 USD = Rs. 60.059

All figures in Rupees million except EPS

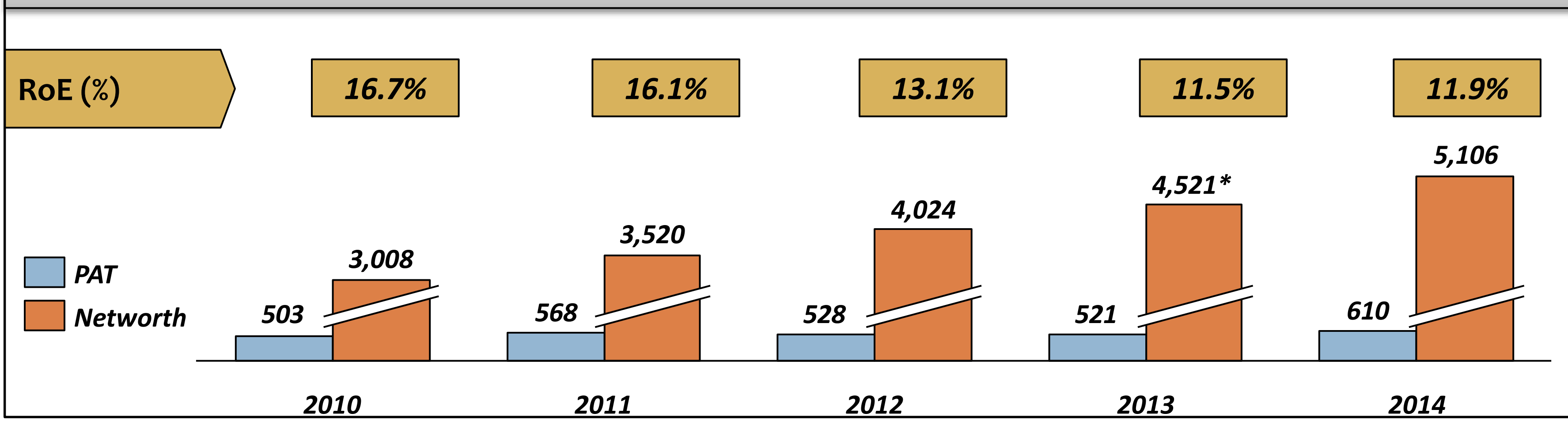
Financial Highlights

KNR CONSTRUCTIONS LIMITED

Revenue & EBITDA (Margin %)



Net Profit & Net Worth (RoE)

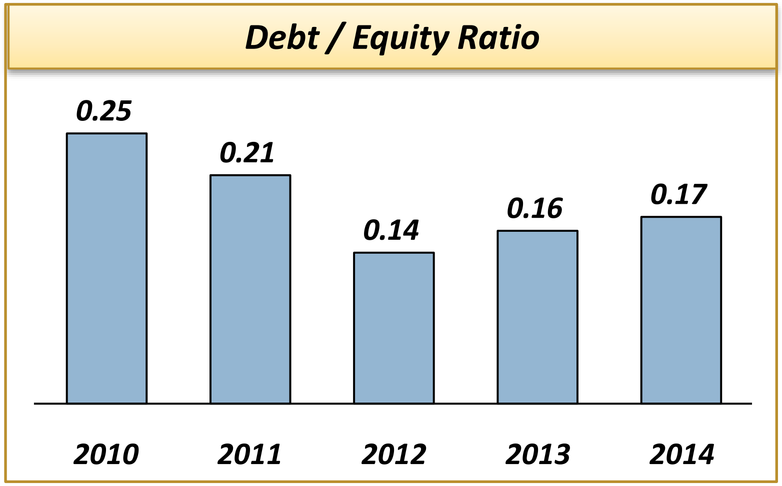


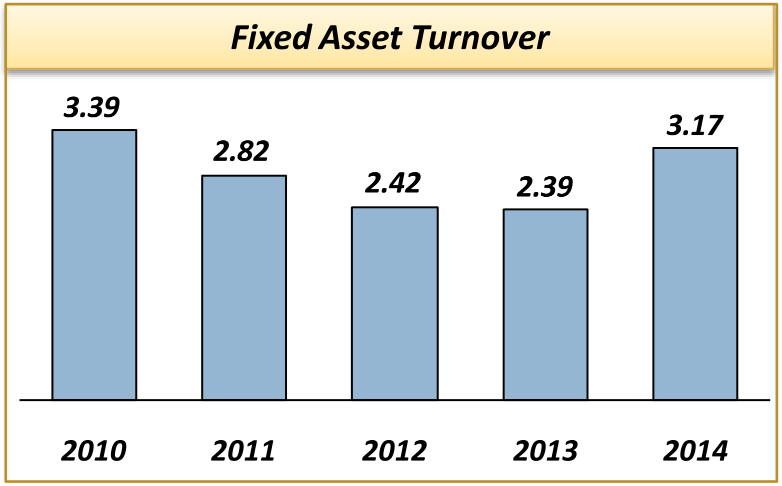
Rs. in Million

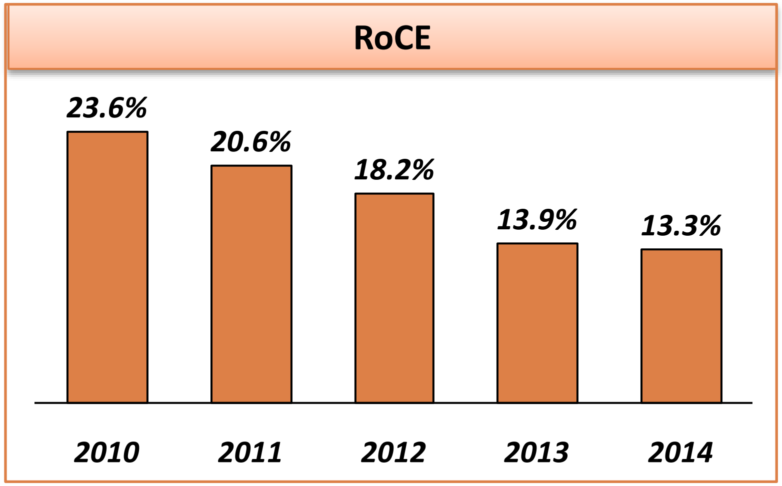
* - Includes Early Completion Bonus of Rs. 190 million

Financial Highlights

KNR CONSTRUCTIONS LIMITED

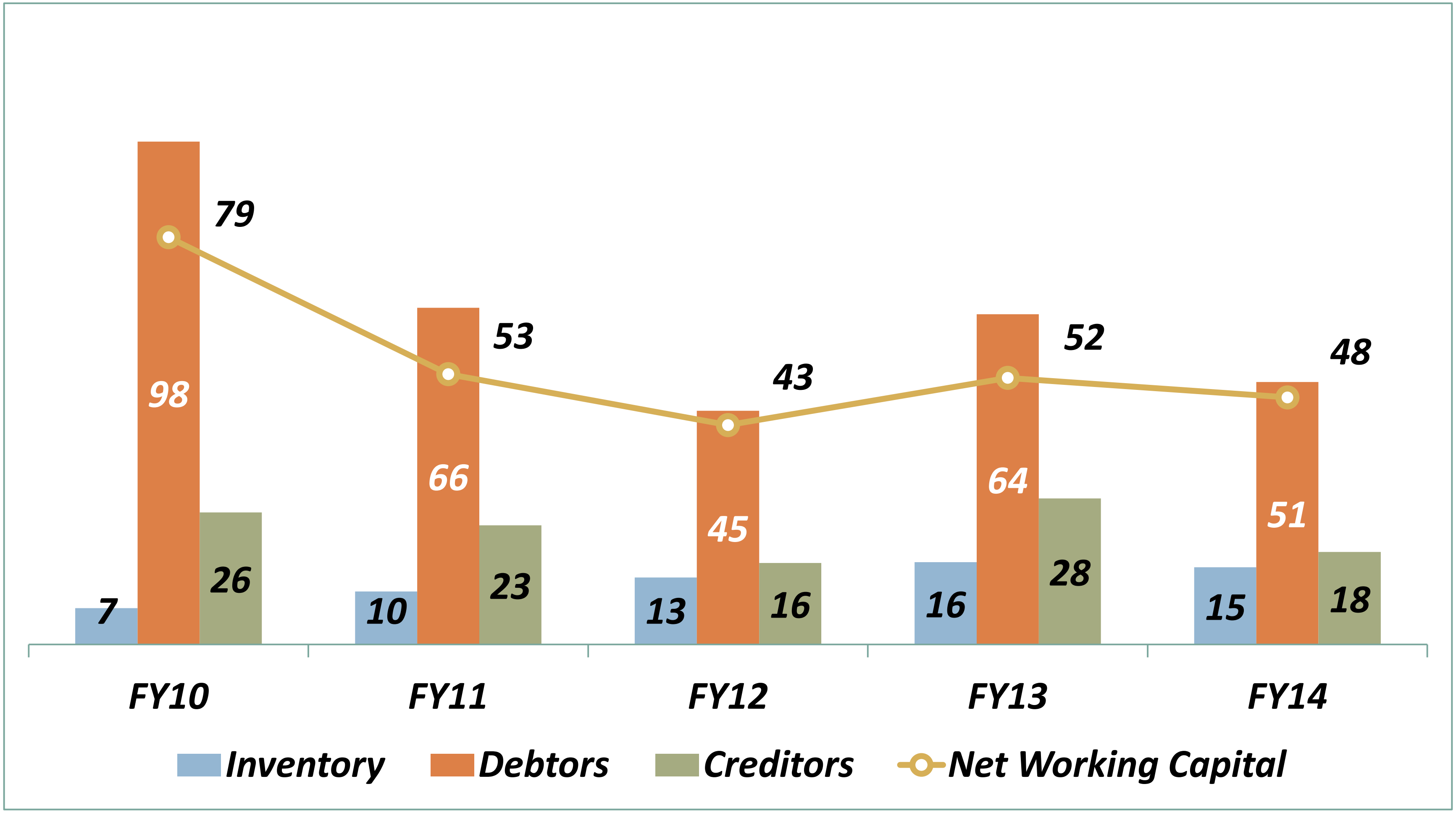






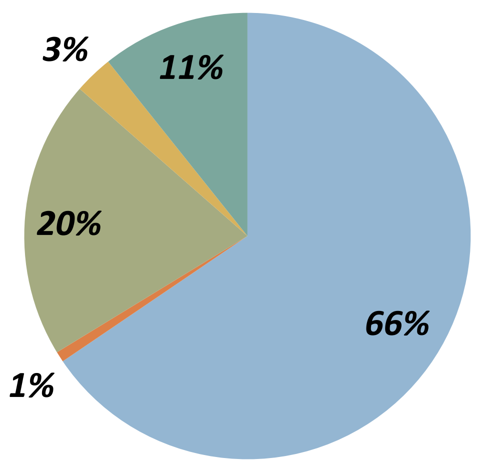
Net Working Capital Days

KNR CONSTRUCTIONS LIMITED



Shareholding Pattern as on 31st December 2014

KNR CONSTRUCTIONS LIMITED



Shareholders Holding more than 1% of the Equity (Other than Promoters)	*% to Equity*
HDFC Mutual Fund	*8.35%*
Tata Mutual Fund	*4.08%*
ICICI Prudential Mutual Fund	*2.16%*
DSP Blackrock Mutual Fund	*2.00%*
Franklin Mutual Fund	*1.95%*
L&T Mutual Fund	*1.47%*
Ajai Hari Dalmia	*1.34%*
Total	*21.35%*

Other Businesses

KNR CONSTRUCTIONS LIMITED

Irrigation & Water Management Projects

And

Urban Water Infrastructure Management

- Strong growth opportunity in development of Agricultural Infrastructure
- Execution of Irrigation & Water Supply Projects with Joint Venture Partners
- Executed 3 Projects in Telangana & 1 Project in Bihar
- Executed an Urban Water Infrastructure project in the State of Karnataka

For further information, please contact:

Company :	Investor Relations Advisors :
KNR Constructions Ltd CIN: L74210DL1995PLC238364	Strategic Growth Advisors Pvt. Ltd. CIN: U74140MH2010PTC204285
Mr. G Sravana Kumar (GM - Finance & Accounts)	Mr. Jigar Kavaiya / Ms. Payal Dave
sravan_1967@knrcl.com	kjigar@sgapl.net / dpayal@sgapl.net
www.knrcl.com	www.sgapl.net