



KNR Constructions Limited.

Dated 29th September 2020

Ref: KNRCL/SD/2020/ 132 & 133

To
The Dept. of Corporate Services,
BSE Limited
P J Towers, Dalal Street,
Fort, MUMBAI - 400001

To
National Stock Exchange of India Limited
"Exchange Plaza",
Bandra Kurla Complex,
Bandra (E), MUMBAI - 400051

BSE Code: 532942

NSE Symbol: KNRCON

Sub: Intimation under Regulation 30 read with Part A of Schedule III of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015

Dear Sir/ Madam,

We wish to inform you that KNR Constructions Limited (the "Company") has transferred 100% stake of its subsidiary company ie KNR Walayar Tollways Private Limited ("SPV") to Cube Highways and Infrastructure III Pte. Ltd.

The enterprise value of the assets for this transaction is INR 511.78 Crores excluding claims receivable from NHAI and other governmental instrumentalities, which would be passed through to the Company as and when realised.

The details of the transaction are provided in **Annexure I** hereto.

This is for your information and records.

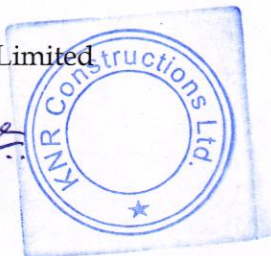
Kindly take the same on record and acknowledge receipt.

Thanking you,
Yours faithfully,

For KNR Constructions Limited

M.V. Venkata Rao

M. V. VENKATA RAO
Company Secretary



Annexure I

Sr. No.	Details required to be disclosed	Disclosure by the Company
1.	The amount and percentage of the turnover or revenue or income and net worth contributed by such unit or division of the listed entity during the last financial year	Turn Over – Rs 67.82 Crores % of Consolidated turnover 2.77 % Networth of SPV Rs. 313.61 Crores as on 31 st March, 2020
2.	Date on which the agreement for sale has been entered into	The Share Purchase Agreement and Claim Management Agreement was executed on January 9, 2020; followed by its Amendment Agreements, which were executed on September 18, 2020
3.	The expected date of completion of sale/disposal	The sale has been completed on September 29, 2020
4.	Consideration received from such sale/disposal	Enterprise value of Rs. 511.78 Crores (comprising debt of Rs 127.10 Crores and an equity valuation of Rs 384.68 Crores). Total payout of Rs 384.68 Crores to the Company is as under:- a) Rs 308.03 Crores which combines equity and repayment of unsecured loan b) Rs 14.90 Crores towards Working Capital Pass Through as and when realised c) Rs 61.75 Crores of hold back to be released as under:- i) Rs 16.00 Crores on completion of pending Income Tax Assessment ii) Rs 16.00 Crores contingent on achievement of traffic/revenue projection by July 2021 iii)Rs 27.00 Crores contingent on achievement of traffic/revenue projection by March 2023 iv)Rs 2.75 Crores on settlement of Differential Interest Rate with Lenders



		<p>and Independent Engineer Fee</p> <p>Additionally any claims receivable from NHAI and other governmental instrumentalities, which are a pass through to the Company as and when realised. The SPV has received Arbitration Award of Rs 170.60 Crores from NHAI.</p>
5.	Brief details of buyer and whether any of the buyers belong to the promoter/ promoter group/ group companies. If yes, details thereof	<p>Cube Highways and Infrastructure III Pte. Ltd. (Cube Highways) is a Singapore-based company investing in road and highway projects, along with other select infrastructure sectors in India.</p> <p>The buyer does not belong to the promoter/ promoter group/group companies.</p>
6.	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length"	No
7.	Additionally, in case of a slump sale, indicative disclosures provided for Amalgamation/merger, shall be disclosed by the listed entity with respect to such slump sale	Not Applicable



PRESS RELEASE

KNR construction Ltd successfully completed sale of KNR Walayar Tollways Pvt Ltd to Cube Highways and Infrastructure III Pte Ltd at an enterprise value of INR 511.78 Crores excluding claims receivable from NHAI and other governmental instrumentalities.

Hyderabad: 29-09-2020 : KNR Constructions Ltd, a dominant infra sector player, successfully completed its 100% sale of KNR Walayar Tollways Private Limited to Cube Highways and Infrastructure III Pte Ltd, a Singapore-based company investing in road and highway projects, in which I Squared Capital and a wholly owned subsidiary of the Abu Dhabi Investment Authority are shareholders.

KNR Walayar Tollways Private Limited (the 'Company') is a Special Purpose Vehicle ("SPV") promoted by KNR Constructions Limited ('KNR').

The Company has entered into a Concession Agreement with National Highway Authority of India ("NHAI") for Design, Build, Finance, Operate and Transfer (The "DBFOT") from KM 182.250 to KM 240.000 Walayar – Vadakkancherry of NH-47 in the State of Kerala, Under NHDP – II) on BOT (Toll) basis. The company achieved COD with effect from 31st October 2015.

The agreed enterprise value of Rs. 511.78 Crores (excluding claims receivable from NHAI and other governmental instrumentalities) is comprising of debt of Rs 127.10 Crores and an equity valuation of Rs 384.68 Crores. Total pay-out of Rs 384.68 Crores to the Company is inclusive of (i) Rs 308.03 Crores which combines equity and repayment of unsecured loan (ii) Rs 14.90 Crores towards working capital pass through as and when realized (iii) Total hold back of Rs 61.75 Crores to be released on achieving various milestones, comprising of (a) Rs 16 crores to be released on completion of pending Income Tax Assessment, (b) Rs 16 crores to be released on achievement of agreed traffic/revenue projections for the period upto July 2021, and (c) Rs 27 crores to be released on achievement of agreed traffic/revenue projections for the period from April 2021 till March 2023, (d) Rs 2.75 crores to be released on settlement of differential interest rate dues to Lenders and of outstanding Independent Engineer fees. In addition, it is also agreed that claims receivable from NHAI against the Arbitration Award of Rs 170.60 Crores shall be passed through to KNRCL as and when realised.

Mr K. Jalandhar Reddy, Executive Director Of KNR Construction said the company could successfully complete the 100% sale of KNR Walayar Tollways to Cube Highways and Infrastructure III Pte Ltd in line with the company's policy of making asset light by monetization of BOT/HAM/Annuity projects and thereby recycle/reinvest the amount unlocked by way of

sale, in new HAM/Annuity projects and EPC business. The onslaught of COVID-19 did delay the completion and also the inflow of Toll collection. Though the Toll collection is slowly coming to pre covid-19 levels, it necessitated the restructuring of the transaction with the hold back of certain amounts to be released on achieving certain milestones.

The consortium of lenders to KNR Walayar Tollways Private Limited are Central Bank of India (Lead member) and Canara Bank, Bank of Baroda and Bank of India and M/s Cyril Amarchand Mangaldas, New Delhi acted as the legal advisors to the company for the transaction.