

HCC/SEC/2021

31 March 2021

BSE Limited The Corporate Relationship Dept, 1st Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001. Scrip Code - 500185	National Stock Exchange of India Ltd Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai-400 051. Scrip Code - HCC
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Dear Sir,

Sub.: HCC Group to receive Rs. 1,259 cr from NHAI BOT conciliations

We are enclosing herewith a copy of Press Release that is being issued by the Company today in connection with the above.

We request you to take note of the same.

Thanking you,

Yours faithfully,
For **Hindustan Construction Co. Ltd**



Vithal Kulkarni
Company Secretary

Encl: As above

Press Release**HCC Group to receive Rs.1,259 cr from NHAI BOT conciliations**

Mumbai, March 31, 2021: HCC Concessions Ltd (HCON), the infrastructure development arm of HCC Group, concluded its conciliation with NHAI for all disputes concerning Baharampore-Farakka Highways Ltd (BFHL) and Farakka-Raiganj Highways Ltd (FRHL). The SPVs entered into settlement agreements with NHAI for a comprehensive closure of all outstanding disputes and claims between the parties. BFHL will receive Rs.405 cr while FRHL will receive Rs.854 cr from the NHAI; FRHL will release the settlement proceeds and further sums to HCC Group per the existing contractual understanding with FRHL's buyer, Cube Highways & Infrastructure II Pte Ltd (Cube), as detailed below.

Besides part use of funds for NHAI project completion and an exit to the Xander Group, who hold a 14.55% share in HCON, a substantial portion of funds will be received by HCC as a settlement of their cost claim.

Farakka Raiganj Highways Ltd. (FRHL)

As a further consequence of this conciliation, Cube will release Rs.233 cr withheld as part of HCON's sale of FRHL and also require to share a significant portion of FRHL's growing revenue for the remainder of the concession's 20 years. With 100% construction completion being achieved at FRHL, toll rates will increase ~70% in FY22. Additionally, up to Rs.100 cr is further payable by Cube in 2023, contingent on traffic projections being realised.

Baharampore Farakka Highways Ltd. (BFHL)

BFHL's closure of disputes with NHAI facilitates the required liquidity in the project to accelerate completion of a much-delayed Bypass, which along with the SPV's strong free cash flow from toll operations, frees HCON to monetise this ~Rs.2,000 cr mega project earlier than planned. Despite the impact of COVID-19 and partial tolling, BFHL clocked revenues of Rs.168 cr in FY21, a 16% jump over FY20. On final completion, a toll increase of ~67% will further generate material free cash flow.

On the occasion, **Arjun Dhawan, HCC Group's CEO**, said, "Today, HCC settled disputes pertaining to its largest BOT projects, and we are thankful for the opportunity provided by the conciliation mechanism encouraged by MoRTH & NHAI. The proceeds of conciliation shall be used to expedite completion of our key projects and to strengthen HCC's participation in future works of nation-building."

BFHL and FRHL are among the largest Public Private Partnership (PPP) projects in the country. They encompass 200 Km of Bengal's main artery, NH-34, and pass through major towns such as Baharampore, Farakka, Kaliachawk, Malda, and Gajol, besides being the only link over the river Ganges in the region. NH-34 provides north-south connectivity

between the capital region and the ports of Kolkata & Haldia to the north-eastern states of India. The west side of the highway borders Bihar and Jharkhand and the eastern side runs parallel to the Bangladesh border, where considerable import and export of goods occur. Both BFHL and FRHL faced significant delays mainly related to land acquisition, commencing toll operations on May 14, 2014, and October 19, 2016, respectively. The concession periods are 25 years for BFHL and 30 years for FRHL. The full completion of this all-important corridor shall reduce the travel time from Kolkata to North Bengal by half

FRHL was sold to Cube Highways & Infrastructure II Pte Ltd (Cube) on September 22, 2020, at an enterprise value of Rs. 1,508 cr.

About HCC Concessions Ltd:

HCC Concessions Ltd is a leading developer in transport infrastructure concessions. The Company's focus on sustainable and responsible development through Public Private Partnership results from expertise in concept innovation, risk analytics, construction management and operations. HCON has developed and operated ~Rs.7,000 cr of NHAI concessions.

About Hindustan Construction Company Ltd:

HCC is a business group of global scale developing and building responsible infrastructure through next practices. With an engineering heritage of nearly 100 years, HCC has executed a majority of India's landmark infrastructure projects, having constructed 27% of India's Hydro Power generation and 60% of India's Nuclear Power generation capacities, over 3,960 lane km of Expressways and Highways, more than 360 km of complex Tunnelling and 383 Bridges. Today, HCC Ltd. serves the infrastructure sectors of Transportation, Power and Water. The HCC Group, with a group turnover of Rs.9,437 cr, comprises of HCC Ltd., HCC Infrastructure Co. Ltd., and Steiner AG in Switzerland.

For further information:


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