

Press Release**HCC to raise Rs.1,750 crore through Monetisation of Claims****Debt to reduce by Rs.1,250 crore; Additional liquidity of Rs.500 crore to drive growth**

Mumbai: March 26, 2019: Hindustan Construction Company Ltd. (HCC) today signed terms with a consortium of investors led by BlackRock, who will seek to monetize an identified pool of arbitration awards and claims for a consideration of Rs.1,750 crore. The proposed transaction was approved by the Board of Directors of the Company at its meeting held on March 26, 2019, and is subject to requisite approvals.

Under the terms of the transaction, HCC will transfer its beneficial interest and rights in an identified portfolio of arbitration awards & claims to a special purpose vehicle (SPV) controlled by a consortium of investors, including BlackRock. HCC will receive a consideration of Rs.1,750 crore from the SPV, which will be utilised to prepay debt of Rs.1,250 crore, including its entire term loan of Rs.942 crore which is due in the next 3 years and Rs.308 crore of OCDs. The balance Rs.500 crore will be made available to fund working capital and business growth. Consequently, the balance sheet of HCC would stand substantially deleveraged, with debt servicing over the next 4 years being limited to its working capital facilities.

As a result of the transaction, the Company expects approximately Rs.2,000 crore of working capital assets, being a combination of adjudicated awards and lodged claims, to leave its balance sheet, which will result in a partial write down of net worth. The precise amount of write-down will be ascertained in HCC's year-end accounts and is not expected to impact the Company's business prospects materially. HCC will continue to retain a material amount of awards and claims with the transaction being limited only to an identified pool of awards and claims. The agreement also envisions a claw back of value by HCC from the SPV in the event that the recovery of Awards and Claims transferred to the SPV exceeds certain thresholds.

Mr. Arjun Dhawan, Director & Group Chief Executive Officer, said, "This unique transaction will help unshackle HCC from mismatches in our cash flow caused by prolonged litigation cycles. HCC will stand substantially deleveraged as a result, which will bring us towards the end of our financial turnaround process."

The Overseeing Committee (OC) of the Lenders, formed under the aegis of the Inter-Creditor Agreement (ICA) framework executed among Lenders, has reviewed the proposal and requested consortium members to accord their respective approvals. Consummation of the transaction is subject to formal sanctions by Lenders and requisite approvals from the Investors, including the completion of required conditions precedent and final documentation.

Earlier this fiscal year, HCC successfully completed its Rs.497.6 crore Rights Issue which was oversubscribed, resulting in an increase in Promoter Group shareholding which currently stands at 34.85%. HCC has also received formal notification from its Lenders earlier this month that the CDR scheme no longer applies to the Company.

About HCC:

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 25% of India's Hydro Power generation and over 65% of India's Nuclear Power generation capacities, over 3,800 lane km of Expressways and Highways, more than 335 km of complex Tunnelling and over 365 Bridges. Today, HCC Ltd. serves the infrastructure sectors of Transportation, Power and Water. The HCC Group, with a group turnover of Rs.10,132 crore, comprises of HCC Ltd., HCC Infrastructure Co. Ltd. and Steiner AG in Switzerland.

For further information:

Sandeep Sawant
Hindustan Construction Company Ltd
+91 22 2575 1000, Mobile: +91 98339 92874
Email: sandeep.sawant@hccindia.com