

Press Release

HCC Concessions to sell Baharampore Farakka to Cube Highways Transaction to result in Rs.900 cr liquidity for HCC Group

Mumbai: February 2, 2022: HCC Group has signed binding terms with Cube Highways and Infrastructure V Pte Ltd (“Cube Highways”) for 100% sale of Baharampore-Farakka Highways Limited (“BFHL”) at an enterprise value of Rs.1,279 crore, implying an equity valuation of Rs.600 crore. In addition to the equity value, Rs.200 crore of earnout is payable in May 2024 contingent on achieving revenue thresholds.

Furthermore, HCON will be entitled to a material revenue share for the life of the concession. HCON will be securitising part of these future BFHL receivables via a loan of up to Rs.300 crore, resulting in a total liquidity to the Group of up to Rs.900 crore. BFHL has a balance concession period of ~19 years. The transaction is subject to closing adjustments, customary due diligence and approvals, including from the NHAI. The financial advisor for this transaction is Edelweiss Financial Services Ltd.

BFHL is a 101 km highway which forms part of the main arterial National Highway 12 (earlier National Highway 34) in West Bengal connecting Kolkata and port of Haldia to North Bengal and North Eastern states of India. Out of 101 km, BFHL is currently tolling 90 km and the balance 11 km of Baharampore Bypass will be tollable post completion in Q4 FY23 which will increase the normal toll revenue by ~45%.

Mr. Arjun Dhawan, HCC’s Group CEO, said, “HCC is proud of its PPP track record, having developed & operated Rs.7,000 crore of value generating BOTs. The sale underscores our commitment to create liquidity that will bolster both operations and future business growth.”

About Baharampore-Farakka Highways Ltd

Baharampore-Farakka Highways Limited is a Special Purpose Vehicle of HCC Concessions Ltd. It was incorporated on 11th March 2010 for Design, Build, Finance, Operate & Transfer (DBFOT) Toll of the 4-lane highway between Baharampore and Farakka section of NH-12 (earlier NH-34) in the State of West Bengal under NHDP Phase III. NHAI has granted concession period of 25 years (extending to 30 years) to the company and BFHL commenced commercial (toll) operations on May 14, 2014. BFHL covers 101 km of the busiest section of Bengal’s main artery, NH-12, and passes through major towns such as Baharampore, Umarpur, and Dhuliyani. NH-12 provides north-south connectivity between the capital region / 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 occurs. NH-12 is the only viable route for commercial traffic over major rivers such as Bhagirathi, Ganga, Mahananda and Nagri in the region. Furthermore, it forms part of the critical route to neighbouring Bhutan, Bangladesh and Nepal. The entire border region of West Bengal and Jharkhand is very rich in mining, while crushing is done at major towns like Pakur, Rampurhat and Nalhatti. Stone and related aggregates are supplied to the industrial towns of Baharampore, Kolkata, Dhanbad,

Asansol, Durgapur, Jamshedpur in the south and Farakka, Malda, Dalkhola, Bangladesh and New Jalpaiguri in the north. The land-locked seven sister States in the North East are heavily dependent on these nearby towns for industrial goods. Rivers are sand rich near Baharampore and Sainthia and this high quality sand caters to NH-12's influence area. Bricks from Baharampore region are also transported to the Malda and Siliguri region. Apart from the aforementioned goods, other major commodities like agricultural produce, construction items, industrial goods, petroleum products, forest items, automobile and fishery products are supplied via NH-12.

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. HCC Concessions has developed and operated over Rs. 7,000 crore 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 26% of India's Hydro Power generation and 60% of India's Nuclear Power generation capacities, over 4,036 lane km of Expressways and Highways, more than 365 km of complex Tunnelling and 395 Bridges. Today, HCC Ltd. serves the infrastructure sectors of Transportation, Power and Water. The HCC Group, with a group turnover of Rs. 9,437 crore, comprises of HCC Ltd., HCC Infrastructure Co. Ltd., and Steiner AG in Switzerland.

About Cube Highways and Infrastructure V Pte. Ltd:

Cube Highways and Infrastructure V Pte. Ltd. (Cube Highways) is a Singapore based company investing in road and highway projects, along with select other infrastructure sectors in India. Cube Highways is an independent, professionally-managed platform that leverages the extensive transportation experience of its management and execution advisory teams. Shareholders of Cube Highways are leading international investors consisting of I Squared Capital and a wholly-owned subsidiary of the Abu Dhabi Investment Authority.