

Press Release**HCC closes sale of Farakka Raiganj Highways to Cube Highways at enterprise value of Rs. 1,508 Crore**

Mumbai, Sep 22, 2020: HCC Concessions Ltd, the infrastructure development arm of HCC Group, completed its 100% sale of Farakka-Raiganj Highways Limited (“FRHL”) to Cube Highways and Infrastructure II Pte Ltd (“Cube Highways”). FRHL, which forms part of the main arterial highway in West Bengal, is among the largest Public Private Partnership (PPP) projects in India, with an enterprise valuation of Rs.1,508 cr, comprising debt of Rs.905 cr and an equity valuation of Rs.603 cr. Cube Highways is a platform controlled by I Squared Capital, Abu Dhabi Investment Authority and IFC.

The total expected pay-out of Rs.603 cr to HCC Group includes (i) cash pay-out of Rs.270 cr which combines equity consideration and contractor payments; (ii) Rs.233 cr of hold backs to be released on the completion of dispute resolution with NHAI; (iii) up to Rs.100 cr of earnout is payable in 2023 contingent on traffic projections (the traffic in FRHL has already returned to pre-COVID levels).

Additionally, as part of the agreement with Cube, HCC Group will be entitled to a revenue share from FRHL over the entire concession period, which could be material in nature, and the details of which will be specified on completion of the ongoing conciliations with NHAI. The enterprise value of Rs.1,508 cr also excludes a structure section of the project, which was descoped by NHAI, and for which Cube has offered a contingent pay-out. A successful closure with NHAI in the coming months of its tolling right confirmation, would entitle HCC Group to additional consideration estimated at Rs.200 cr.

On the occasion, **Arjun Dhawan, Group Chief Executive Officer, HCC** said “We are pleased to conclude a transaction of this size and complexity, despite the hurdles presented by COVID19. We have faced every type of challenge in developing this project, from lengthy land acquisition delays to meeting the expectations of numerous stakeholders while executing in major towns such as Farakka, Kaliachawk, Malda, and Gajol. With the support of NHAI and our lenders, without whom this project would not have been possible, FRHL became the most valuable asset in our Concessions portfolio. This sale to Cube unlocks substantial sums which may be reinvested back in our EPC business.”

HCC Concessions and FRHL have been in active discussions with NHAI to conciliate all claims and disputes totalling approximately Rs.3,000 cr, which are expected to conclude in Q3 FY21. FRHL will pass on receipts from NHAI against all claims (mainly for land acquisition delays) to HCC Group on receipt of these monies. The completion of conciliation process will not only release capital to the Group from the NHAI, but also the amounts conservatively held back by Cube.

The consortium of lenders to FRHL is led by Yes Bank and comprises Indian Bank, ARCIL, IIFCL, Bank of Baroda, Punjab National Bank and Union Bank of India. The legal and

financial advisors for this transaction were Cyril Amarchand Mangaldas and Edelweiss Financial Services Ltd, respectively.

About Farakka-Raiganj Highways Ltd

Farakka-Raiganj 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 Farakka and Raiganj section of NH-34 from Km 295 to Km 398 in the State of West Bengal under NHDP Phase III. NHAI has granted concession period of 30 years to the company and FRHL commenced commercial (toll) operations on October 19, 2016. FRHL covers the busiest section of Bengal's main artery NH-34 over 100 km and passes through major towns such as Farakka, Kaliachawk, Malda, and Gajol, besides being the only link over the river Ganges in the region. The highway 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.

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. 5,500 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 crore, comprises of HCC Ltd., HCC Infrastructure Co. Ltd., and Steiner AG in Switzerland.

About Cube Highways and Infrastructure II Pte. Ltd:

Cube Highways and Infrastructure II 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, a wholly-owned subsidiary of the Abu Dhabi Investment Authority and International Finance Corporation.