



HC/SEC/PR/ 2016

November 6, 2016

National Stock Exchange of India Ltd,
Exchange Plaza,
Bandra-Kurla Complex,
Bandra (East),
Mumbai-400 051

Dear Sir,

Sub: RBI's OC approves its first S4A scheme for HCC

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 take the note of the same.

Thanking you,

Yours faithfully,

For Hindustan Construction Co. Ltd

Sangameshwar Iyer
Company Secretary

Cc: BSE Limited,
The Corporate Relationship Dept,
1st floor, Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai-400 001

Hindustan Construction Co Ltd

Hincon House, 11th Floor, 247Park,
Lal Bahadur Shastri Marg,
Vikhroli (West), Mumbai 400 083, India
Tel : +91 22 2575 1000 Fax : +91 22 2577 7568
CIN : L45200MH1926PLC001228

www.hccindia.com

Press Release**RBI's OC approves its first S4A scheme for HCC**

Mumbai, November 6, 2016: The RBI mandated Overseeing Committee (OC) has approved the (S4A) Scheme for Sustainable Structuring of Stressed Assets (S4A) for Hindustan Construction Company Ltd. The ICICI led Joint Lenders' Forum had proposed the scheme for the infrastructure major.

HCC became the first company to secure approval by OC under the RBI's S4A scheme, which is expected to set precedent for future approvals.

HCC's total funded Debt estimated at Rs 5,107 crore has been considered under the S4A scheme which will be divided into two parts:

- Part A (sustainable debt) - Rs 2,681 crore (52.50%)
- Part B (unsustainable debt) – Rs 2,426 crore (47.50%)
 - The Lenders will subscribe to 24.44% fresh equity (Rs 1,008 crore assuming Rs 40 rate) which will bring down the promoter holding from 36.07% to 27.44%. The share price will be determined as per SEBI guidelines and accordingly debt will go down to the extent of conversion amount.
 - The balance portion of Part B, will be converted into Optionally Convertible Debentures (OCD) for 10 years with coupon @ 0.01%, 11.5% YTM.

On HCC getting approval from RBI mandated OC for S4A, Praveen Sood, Group CFO, HCC said, "The S4A scheme will help the company bridge the gap of "Cashflow Timing Mismatch" between claims realization (including its interest) and debt servicing. The move comes at an opportune time as HCC is already on recovery path with order book growth of over 30% in last one year. We feel that it's a positive move for HCC and will bring sustained long term solution for the company. Also Cabinet Decision for release of around 2000 Crs (75% of arbitration award) payment will further strengthen HCC's position."

Within next 4-8 weeks, the following steps are expected to be completed:

- Individual Bank board Final approval for the Resolution Plan.
- HCC Board approval on S4A scheme.
- Signing of Master Agreement
- EGM for equity shares & OCD.

Parallel to this, company is also following up with Govt agencies / PSU's to get 75% of arbitration awarded in its favor as per the directive of Cabinet Committee of Economic affairs (CCEA) chaired by Prime Minister. HCC is immediately expecting release of around 2000 Crs from these already awarded arbitrations. In last couple of years, HCC took up recovery of its dues amounting to Rs 11,000 crore from the government agencies through arbitration proceedings or contractual procedure. HCC already got arbitration awards in its favor worth Rs 3,427 crore up to September 30, 2016. Further claims worth around Rs 4,173 crore are in arbitration process. About 70% of these cases were at the initial stage of arbitration process and the company has already given consent to transfer these cases

under new arbitration act. As such, the company expects to get these additional awards within next 12 months duration further improving its cash position.

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 26% of India's Hydel Power generation and over 65% of India's Nuclear Power generation capacities, over 3,600 lane km of Expressways and Highways, more than 300 km of complex Tunneling and over 350 Bridges. Today, HCC Ltd. serves the infrastructure sectors of Transportation, Power and Water. HCC is also developing Lavasa City, a planned hill city and one of India's largest urban development and management initiatives. The HCC Group, with a group turnover of Rs 8,768 crore, comprises of HCC Ltd, HCC Infrastructure Co. Ltd, Lavasa Corporation 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

A handwritten signature in blue ink is located on the left side of the page, overlapping the contact information. The signature appears to be 'Sandeep Sawant'.