

September 23, 2021

Sub: Acquisition of stake in Ashoka Bettadahalli Shivamogga Road Private Limited

Ashoka Buildcon Limited (“the Company”) is pleased to inform that it has acquired 60% stake in equity share capital of Ashoka Bettadahalli Shivamogga Road Private Limited (‘ABSRPL’) viz., 30000 equity shares of Rs.10/- each for an aggregate consideration of Rs.3,00,000/- (Rupees Three Lakh only).

Further to inform that ABSRPL was a step down subsidiary of the Company prior to the abovementioned acquisition.

Please note that ABSRPLL executes the Project awarded by NHAI viz. Four Lanning of Tumkur – Shivamogga Section from Ch.170+415 km. to Ch.226+750 km., Bettadahalli – Shivamogga Section of NH-206 on Hybrid Annuity mode under Bharatmala Pariyojana in the State of Karnataka (Package IV) awarded by National Highways Authority of India (“NHAI”).

The details required pursuant to SEBI Circular CIR/CFD/CMD/4/2015 dated September 09, 2015 are given in Annexure I enclosed herewith.

This is for your kind information.

Annexure I

Information to be submitted to the Exchanges as per Regulation 30 of SEBI LODR read with SEBI Circular CIR/CFD/CMD/4/2015 dated September 09, 2015 as follows.

Sr. No.	Particulars	Details
1.	Name of the target entity, details in brief such as size, turnover etc.	<p>The name of the Target entity is Ashoka Bettadahalli Shivamogga Road Private Limited ('ABSRPL'/ 'SPV').</p> <p>ASBRPL is a special purpose vehicle incorporated to execute the project awarded by National Highways Authority of India ("NHAI") viz. Four Lanning of Tumkur – Shivamogga Section from Ch.170+415 km. to Ch.226+750 km., Bettadahalli – Shivamogga Section of NH-206 on Hybrid Annuity mode under Bharatmala Pariyojana in the State of Karnataka (Package IV) awarded by National Highways Authority of India ("NHAI").</p> <p>The Project was awarded in March 2019. The Total estimated Cost of the Project is Rs.1157.22 Crore. The SPV is in process of completing its financial closure post signing of Concession Agreement.</p> <p>The turnover for FY 2020-21 is Rs.0.48 Crore.</p>
2.	Whether the acquisition would fall within related party transactions and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest, details thereof and whether the same is done at "arm's length".	<p>The Company purchased 30000 equity shares held by Ashoka Concessions Limited (ACL), a subsidiary of the Company, in ABSRPL. Therefore, this would be a transaction with a related party; However none of the Directors of the Company & ABSRPL hold any shares in ACL.</p> <p>This transaction is a purely commercial transaction which will help the Company in attaining financial closure and availing bank financing for ABSRPL. The transaction is at arm's length. The shares are acquired by the Company in a single tranche and the Company shall have full ownership and the title to all of the said shares in ABSRPL.</p>

3.	Industry to which the entity being acquired belongs.	The entity being acquired belongs to Infrastructure (Roads and Highways) industry.
4.	Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity).	<p>The object of the acquisition is to consolidate the road infrastructure business of the Company, which is the core competence of the Company. The Company now holds 60% shares in ABSRPL. ASBRPL will be a subsidiary of the Company.</p> <p>a) The Company is one of the pioneer infrastructure Development Companies in Road and Power Transmission & Distribution Sectors. It currently has one of the largest portfolios of BOT /HAM Projects in India. Target Entity belongs to main line of business of the Company and shall add value to the business of Company;</p> <p>b) Operations and growth of project are intrinsically linked to its management's decision making. The consolidation of shareholding would facilitate better and stable functioning and operations of the Company;</p> <p>c) Proposed consolidation would facilitate easy and quick decision making and enable the Company to run project to the satisfaction of all stake holders; and</p> <p>d) Further ABSRPL has the same business as main line of business of the Company/subsidiary i.e. infrastructure development.</p>
5.	Brief details of any governmental or regulatory approvals required for the acquisition.	The SPV is governed by the Concession Agreement executed with National Highways Authority of India (NHAI). No regulatory approvals are required; however NHAI will be notified of the transaction.
6.	Indicative time period for completion of the acquisition.	Not applicable - since the Company has fully acquired 30000 shares already.
7.	Nature of consideration - whether cash consideration or share swap and details of the same.	The Consideration for acquiring 60% stake in ABSRPL is a cash consideration.

8.	Percentage of shareholding / control acquired and / or number of shares acquired.	The Company has acquired 60% shareholding in ABSRPL and the total shareholding of the Company in ABSRPL is 60% and of ACL is 40%.
9.	Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years' turnover, Country in which the acquired entity has presence and any other significant information (in brief).	<p>ABSRPL has been incorporated on April 08, 2019 with CIN U45201DL2019PTC348441. It has its registered office situated at Unit No. 403, 4th Floor, City Centre, Plot No. 5, Sector 12, Dwarka, New Delhi – 110 075. It has been incorporated with the object of carrying out the project awarded by NHAI viz. Four Lanning of Tumkur – Shivamogga Section from Ch.170+415 km. to Ch.226+750 km., Bettadahalli – Shivamogga Section of NH-206 on Hybrid Annuity mode under Bharatmala Pariyojana in the State of Karnataka (Package IV) awarded by National Highways Authority of India (“NHAI”) allotted to the Bidder and Shareholder of the Company i.e. ACL.</p> <p>The turnover of SPV for last 2 financial years (since incorporation is in FY2019-20) has been Rs.0.48 Crore for FY21 & Rs. Nil for FY20.</p>