

Sub: Acquisition of stake in Ashoka Highways (Bhandara) Limited

March 4, 2021

Ashoka Buildcon Limited (**"the Company"**) is pleased to inform that the Company has entered into a share purchase agreement with India Infrastructure Fund (IIF) for purchasing directly or through its subsidiary, 49% stake (i.e.1,27,95,399 equity shares of Rs.10/- each) held by IIF in Ashoka Highways (Bhandara) Limited (**"AHBL / SPV"**) along with Zero Interest Shareholders Loan for an aggregate consideration of Rs.35,98,00,000/- (Rupees Thirty Five Crore and Ninety Eight Lakh only).

Further to inform that the Company already holds 09 shares in AHBL. Ashoka Concessions Limited, a subsidiary of the Company holds 1,33,17,653 equity shares of Rs.10/- each, i.e. 51% of the issued, subscribed and paid-up capital of AHBL. Post completion of this transaction, the Company along with subsidiary/ies would hold 100% stake in AHBL.

The completion of the above transaction is subject to receipt of the approvals from National Highways Authority of India (NHAI) and if required, from Lenders.

Please note that AHBL executes the Project awarded by NHAI viz. 'To carry on the business of Construction, Operation and Maintenance of Chattisgarh / Maharashtra Border - Wainganga Bridge Section from Km. 405.000 to Km. 485.000 of NH-6 in the state of Chattisgarh and Maharashtra under NHDP phase IIIA on BOT basis.'

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

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 Highways (Bhandara) Limited ("AHBL/ SPV"), which is a step down subsidiary of Ashoka Buildcon Limited ("Company"), in which presently Ashoka Concessions Limited, a subsidiary of the Company, holds 51% equity shares along with other nominee shareholders and remaining 49% equity shares are held by India Infrastructure Fund ("IIF").</p> <p>The entire stake of 49% held by IIF is proposed to be acquired by the Company vide Share Purchase Agreement executed on March 03, 2021.</p> <p>AHBL is a special purpose vehicle incorporated to execute the project awarded by National Highways Authority of India ("NHAI") viz. to carry on the business of construction, operation and maintenance of Chhattisgarh/ Maharashtra Border-Wainganga Bridge section from K.M. 405.000 to K.M. 485.000 of NH-6 in the state of Chhattisgarh and Maharashtra under NHDP Phase IIIA on Build Operate and Transfer (BOT) basis.</p> <p>The Project was awarded in December 2006. The Total Cost of Project is Rs.528 Crore. The SPV has completed the construction of the Road Project in the year 2010 and since then collects toll.</p> <p>The turnover for FY 2019-20 is Rs.70.92 Crore.</p>
2.	Whether the acquisition would fall within related party transactions and whether the promoter/	It is not a related party transaction since IIF is not a related party of the Company. IIF is only a strategic investor in the SPV. This transaction is a commercial transaction with

	<p>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>	<p>IIF and not a related party transaction. None of the directors of the Company or IIF and neither IIF hold any shares in the Company.</p> <p>The IIF shares are being acquired by the Company/Subsidiary in three different tranches and upon the third tranche being completed the Company/subsidiary shall have full ownership and the title to all of IIF's shares in AHBL. Acquisition of shares is at fair market value i.e. at arm's length.</p>
3.	<p>Industry to which the entity being acquired belongs.</p>	<p>The entity being acquired belongs to Infrastructure (Roads and Highways) industry.</p>
4.	<p>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>	<p>The object of the acquisition is to consolidate the road infrastructure business of the Company, which is the core competence of the Company as well as to provide an exit to IIF. The Company already holds 51% of the total shareholding in AHBL through its subsidiary namely Ashoka Concessions Limited. It is now proposed to acquire entire stake of 49% held by IIF i.e. 1,27,95,399 shares of Rs.10/- each fully paid in AHBL.</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 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 including NHAI and the Lenders; and</p> <p>d) Further AHBL has the same business as</p>

		main line of business of the Company/subsidiary i.e. infrastructure development.
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). As per the provisions of the Concession Agreement, the permission of NHAI is required for effecting change in ownership of SPV and if required, of the Lenders.
6.	Indicative time period for completion of the acquisition.	The Company expects to complete the acquisition by August 2021 subject to approvals from NHAI and if required, from Lenders.
7.	Nature of consideration - whether cash consideration or share swap and details of the same.	The Consideration for acquiring 49% stake in AHBL i.e.1,27,95,399 equity shares will be a cash consideration.
8.	Percentage of shareholding / control acquired and / or number of shares acquired.	The Company shall acquire 49% shareholding in AHBL from IIF and the total shareholding of the Company in AHBL along with its subsidiary/ies in aggregate will be 100%.
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>AHBL has been incorporated on March 15, 2007 with CIN U45203MH2007PLC168773. It has its registered office situated at S. No. 113/2, 3rd floor, Ashoka Business Enclave, Wadala Road, Nashik - 422 009. AHBL has been incorporated with the object of carrying out the project awarded by NHAI on BOT basis viz. to carry on the business of construction, operation and maintenance of Chhattisgarh/ Maharashtra Border-Wainganga Bridge Section from K.M. 405.000 to K.M. 485.000 of NH-6 in the state of Chhattisgarh and Maharashtra under NHDP Phase IIIA.</p> <p>The Project is completed on August 19, 2010 and the Toll Collection had started since then. AHBL has business operations in India only. The turnover of AHBL for last 3 financial years has been Rs.70.92 Crore for FY20, Rs.67.34 Crore for FY19 and Rs.64.73 Crore for FY18.</p>