

September 22, 2021

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

Ashoka Buildcon Limited ("**the Company**") is pleased to inform that the Company's Subsidiary i.e. Ashoka Concessions Limited ("ACL") has entered into a share purchase agreement with Highway Concessions One Private Limited ("HC1") for purchasing 49% stake (i.e. 14,560,442 equity shares of Rs.10/- each) held by HC1 in Ashoka Highways (Durg) Limited ("**AHDL / SPV**") along with Zero Interest Shareholders Loan for an aggregate consideration of Rs.5,00,00,000/- (Rupees Five Crore only).

Further to inform that ACL already holds 15,154,732 equity shares of Rs.10/- each, i.e. 51% of the issued, subscribed and paid-up capital of AHDL. Please note that the Company holds 09 shares in AHDL and proposes to buy 1 equity share held by IDFC in AHDL. Post completion of this transaction, the Company along with ACL would hold 100% stake in AHDL.

The completion of the above transaction is subject to completion of customary conditions precedent.

Please note that AHDL executes the Project awarded by NHAI viz. 'To carry on the business of Construction, Operation and Maintenance End of Durg Bypass - Chattisgarh / Maharashtra Border Section from Km. 322.400 to Km. 405.000 of NH-6 in the state of Chattisgarh 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 (Durg) Limited (“AHDL/ SPV”), which is a step down subsidiary of Ashoka Buildcon Limited (“Company”), in which presently Ashoka Concessions Limited (“ACL”), a subsidiary of the Company, holds 51% equity shares along with other nominee shareholders and remaining 49% equity shares are held by Highway Concessions One Private Limited (“HC1”) and 1 equity share by IDFC Limited.</p> <p>The entire stake of 49% held by HC1 in AHDL is proposed to be acquired by ACL, subsidiary of the Company vide Share Purchase Agreement executed on September 21, 2021.</p> <p>AHDL 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 End of Durg Bypass - Chattisgarh / Maharashtra Border Section from Km. 322.400 to Km. 405.000 of NH-6 in the state of Chattisgarh under NHDP phase IIIA on BOT basis.</p> <p>The Project was awarded in December 2006. The Total Cost of Project is Rs.587 Crore. The SPV has completed the construction of the Road Project in the month of February 2012 and since then collects toll.</p> <p>The turnover for FY 2020-21 is Rs.82.90 Crore.</p>
2.	Whether the acquisition would fall within related party transactions and whether the promoter/	It is not a related party transaction since HC1 is not a related party of the Company. HC1 is only a financial 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>HC1 and not a related party transaction. None of the directors of the Company or HC1 and neither HC1 hold any shares in the Company.</p> <p>The HC1 shares shall be acquired by ACL in a single tranche and upon completion of transaction, ACL shall have full ownership and the title to all of HC1's shares in AHDL.</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. The Company already holds 51% of the total shareholding in AHDL through its subsidiary namely Ashoka Concessions Limited. It is now proposed to acquire entire stake of 49% held by HC1 i.e. 14,560,442 shares of Rs.10/- each fully paid in AHDL through ACL.</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; and</p> <p>d) Further AHDL 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), and NHAI will be notified of the transaction.
6.	Indicative time period for completion of the acquisition.	The Company expects to complete the acquisition by October 2021 subject to completion of customary conditions precedent.
7.	Nature of consideration - whether cash consideration or share swap and details of the same.	The Consideration for acquiring 49% stake in AHDL i.e. 14,560,442 equity shares will be a cash consideration.
8.	Percentage of shareholding / control acquired and / or number of shares acquired.	ACL shall acquire 49% shareholding in AHDL from HC1 and the total shareholding of ACL in AHDL 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>AHDL has been incorporated on March 15, 2007 with CIN U74999MH2007PLC168772. It has its registered office situated at S. No. 113/2, 3rd floor, Ashoka Business Enclave, Wadala Road, Nashik - 422 009. AHDL has been incorporated with the object of carrying out the project awarded by NHAI on BOT basis viz. carry on the business of Construction, Operation and Maintenance End of Durg Bypass - Chattisgarh / Maharashtra Border Section from Km. 322.400 to Km. 405.000 of NH-6 in the state of Chattisgarh under NHDP phase IIIA on BOT basis.</p> <p>The Project has achieved PCOD on February 04, 2012 and the Toll Collection had started from February 15, 2012. AHDL has business operations in India only. The turnover of AHDL for last 3 financial years has been Rs.82.90 Crore for FY21, Rs.79.94 Crore for FY20 and Rs.80.20 Crore for FY19.</p>