

Credit update-Ashoka Buildcon Limited

November 12, 2024

Updates

On October 30, 2024, Ashoka Buildcon Limited (ABL; rated CARE AA-; Stable / CARE A1+) announced on the Bombay Stock Exchange (BSE), that its subsidiary Ashoka Concessions Limited (ACL), has entered into share purchase agreement (SPA) with the Indian Highway Concessions Trust for sale of the entire share capital held in the five operational BOT SPVs at an aggregate consideration of ₹2,539 crore. ABL holds 66% stake in ACL while the remaining stake is held by SBI Macquarie. The completion of this transaction is subject to approvals by lenders of the respective BOT SPVs, National Highways Authority of India (NHAI; rated CARE AAA; Stable) and competition commission of India.

Upon completion of the above transaction, ABL will acquire the remaining 34% stake of SBI Macquarie in ACL including class A and class B Compulsorily Convertible Debentures (CCDs) at an aggregate consideration of ₹1,526 crore.

CARE Ratings Limited (CARE Ratings) has noted the proposed stake sale of five BOT projects and subsequent exit of investor SBI Macquarie at an envisaged consideration, which alleviates concerns regarding pending exit. CARE Ratings will continue to monitor the development related to above transaction.

Please refer to the following link for the previous detailed rationale that captures key rating drivers and rating sensitivities: [Click here](#)

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