

BUY

TP: Rs 185 | ▲ 54%

ASHOKA BUILDCON

Infrastructure

16 August 2019

Revenue miss; execution to scale up from H2FY20

Ashoka Buildcon's (ASBL) Q1FY20 revenue grew 28% YoY to Rs 8.8bn, below our estimate of Rs 11.8bn due to delayed execution of power T&D/railways projects. EBITDA margin grew 60bps YoY to 12.5% (12.4% est.) on a better revenue mix, but PAT was flattish at Rs 647mn (Rs 739mn est.). The Jun'19 order backlog stood at Rs 90bn (2.4x TTM revenues). Better recoveries saw gross external debt decline by Rs 1.4bn QoQ to Rs 5.8bn. We trim our earnings by 2%/4% and roll over to a new Jun'20 TP of Rs 185 (vs. Rs 205).

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Delayed execution behind miss on revenue: Q1 revenue grew 28% YoY to Rs 8.8bn, but came in below estimates due to a delayed start in execution of newer power T&D/railways projects, where segmental revenue plunged 51% QoQ to Rs 1.5bn. Revenue from the roads segment also declined 27% QoQ to Rs 6.8bn due to delayed award of appointed dates (AD). Heavy monsoons are likely to cap Q2 revenue as well. With AD award for the two HAM projects guided by Oct'19, we expect revenue to gather pace from H2FY20.

PAT growth muted: EBITDA grew 35% YoY to Rs 1.1bn (Rs 1.5bn est.) and margins expanded 60bps YoY to 12.5% (12.4% est.) led by a favourable revenue mix (~82% road and 18% power T&D). Higher interest cost (+25% YoY) and depreciation (+96% YoY) dulled PAT growth at 1% YoY to Rs 647mn.

Gross debt reduces; power T&D receivables a drag: Debt fell to Rs 5.8bn as on Jun'19 (Rs 7.2bn as on Mar'19), and management guided for Rs 5bn-6bn levels by Mar'20. Power T&D segment has receivables (incl. unbilled revenues) of ~Rs 5.5bn. Receivables are guided at 100 days by Mar'20 (105-110 days in T&D).

Maintain BUY: We cut FY20/FY21 EPS by 2%/4% on below-estimated revenue partly set off by softer interest cost, and move to a Jun'20 TP of Rs 185.

Ticker/Price	ASBL IN/Rs 120
Market cap	US\$ 472.3mn
Shares o/s	281mn
3M ADV	US\$ 0.7mn
52wk high/low	Rs 155/Rs 93
Promoter/FPI/DII	54%/4%/31%

Source: NSE

STOCK PERFORMANCE



Source: NSE

KEY FINANCIALS (STANDALONE)

Y/E 31 Mar	FY18A	FY19A	FY20E	FY21E	FY22E
Adj. net profit (Rs mn)	2,370	3,332	2,966	3,346	3,585
Adj. EPS (Rs)	8.4	11.9	10.6	11.9	12.8
Adj. EPS growth (%)	34.6	40.6	(11.0)	12.8	7.2
Adj. ROAE (%)	13.0	16.1	12.7	12.8	12.3
Adj. P/E (x)	14.2	10.1	11.4	10.1	9.4
EV/EBITDA (x)	11.9	6.6	7.2	6.3	5.8

Source: Company, BOBCAPS Research

BOB Capital Markets Ltd is a wholly owned subsidiary of Bank of Baroda

Important disclosures, including any required research certifications, are provided at the end of this report.



FIG 1 – STANDALONE QUARTERLY PERFORMANCE

Particulars (Rs mn)	Q1FY20	Q1FY19	YoY (%)	Q4FY19	QoQ (%)
Revenue	8,768	6,837	28.2	13,074	(32.9)
Total expenditure	7,673	6,025	27.4	11,259	(31.8)
EBITDA	1,095	813	34.7	1,815	(39.7)
EBITDA margin (%)	12.5	11.9	60bps	13.9	(140bps)
Other income	342	366	(6.5)	380	(9.9)
Depreciation	266	136	96.0	260	2.5
EBIT	1,171	1,043	12.3	1,935	(39.5)
EBIT margin (%)	13.4	15.2	(190bps)	14.8	(145bps)
Interest	214	171	24.7	367	(41.7)
PBT	957	871	9.9	1,568	(39.0)
PBT margin (%)	10.9	12.7	(183bps)	12.0	(108bps)
Tax	310	232	33.6	516	(39.8)
Effective tax rate (%)	32.4	26.7	578bps	32.9	(44bps)
Adjusted PAT	647	639	1.2	1,053	(38.6)
Exceptions	-	-	-	(73)	NM
Reported PAT	647	639	1.2	980	(34.0)
Adjusted PAT margin (%)	7.4	9.3	(197bps)	8.1	(68bps)
EPS (Rs)	2.3	2.3	1.2	3.7	(38.6)
% growth YoY					
Revenue	28.2	(3.5)	-	86.2	-
EBITDA	34.7	(12.2)	-	124.7	-
Other income	(6.5)	296.9	-	(38.0)	-
Depreciation	96.0	19.9	-	79.7	-
Interest	24.7	32.3	-	225.6	-
EBIT	12.3	15.3	-	51.7	-
PBT	9.9	12.5	-	34.9	-
Adjusted PAT	1.2	12.2	-	(0.1)	-
Reported PAT	1.2	12.2	-	(7.0)	-
EPS	1.2	12.2	-	(0.1)	-

Source: Company, BOBCAPS Research

Earnings call highlights

- FY20 guidance:** Management has guided for revenue growth of 25-30%, EBITDA margin in the range of 12-12.5%, order inflow of ~Rs 60bn, mobilisation advances of ~Rs 2bn, revenue mix between roads & power T&D/railways at 75:25, and capex of ~Rs 800mn.
- Interest cost:** Interest cost declined 42% QoQ to Rs 214mn in Q1FY20 as provisions for a shortfall arising from Ind-AS 116 implementation raised the base in Q4FY19. According to management, the current quarterly interest run-rate will be maintained going forward.

- **Bid pipeline:** ASBL intends to participate in a bid pipeline of ~Rs 500bn that it has identified from the roads segment (NHA at ~Rs 350bn and ~Rs 150bn from state projects).
- **AD and land acquisition status:** Appointed dates for the remaining three HAM projects are guided to be awarded as follows: Tumkur-Shivamoga Pkg I & II by Oct'19 and Pkg IV over the next 90-100 days. Land status is as under:
 - Tumkur-Shivamoga (Pkg I): ~60% in 3H stage; ~80% land possession expected in 60 days
 - Tumkur-Shivamoga (Pkg II): ~60% in 3H stage; ~80% land possession expected in 60 days
 - Tumkur-Shivamoga (Pkg IV): 35-40% in 3H stage; ~80% land possession expected in 90 days (received LOA on 11-Mar-19)

Land acquisition is also proving a constraint in the ongoing HAM projects of Kharar-Ludhiana (9-10% not available) and Ranastalam-Anandpuram (3-4% not available).

- **Balance equity commitments in HAM and CGD projects:**
 - Equity likely to be infused in FY20/FY21: Rs 2.5bn/Rs 1.3bn in HAM projects and Rs 500mn/Rs 250mn-300mn in CGD
 - Balance equity in FY22
- **Toll collection:** Toll collection remained muted in Q1 due to lower traffic led by the economic slowdown and revised norms for multi-axle vehicles. Gross toll collection for the quarter declined 6.2% YoY to Rs 2.4bn (down 1.7% YoY to Rs 2.4bn on like-to-like basis).
- **SBI-Macquarie's exit from ACL (ASBL stake at 61% and SBI-M stake at 39%):** Ashoka Construction's (ACL) committed IRR of 12% to SBI-M in Sambalpur is due to end this calendar year (Jul'19). SBI-M was to exit its investment in ACL by the end of Mar'19; though it has received an extension of two years, it is still evaluating various exit options. As per management, both stakeholders ASBL and SBI-M are now opting for an exit from ACL projects via a stake sale, and the deal is likely to be concluded by end-Mar'20.

EV of the seven assets stands at Rs 74bn, viz. Rs 48bn of external debt and Rs 26bn of equity/sub-debt/sponsor loans

The current EV of the portfolio stands at Rs 74bn (external debt at Rs 48bn and equity including sub-debt & sponsor loan at Rs 26bn). Proceeds can be used to fund the balance equity commitment on HAM projects (ASBL's investment in ACL stands at ~Rs 14bn as on Mar'19), which would pare the debt burden on the standalone entity.

FIG 2 – SEGMENTAL BREAKUP OF STANDALONE REVENUE

Particulars (Rs mn)	Q1FY18	Q2FY18	Q3FY18	Q4FY18	Q1FY19	Q2FY19	Q3FY19	Q4FY19	Q1FY20
Construction & contract related	6,651	3,382	6,148	6,607	6,353	7,140	10,195	12,631	8,302
BOT (Toll)	78	77	87	69	94	71	78	75	84
Sale of goods (RMC, ect.)	354	328	354	347	390	433	378	368	382
Total revenue	7,083	3,787	6,589	7,023	6,837	7,644	10,651	13,074	8,768
% growth YoY									
Construction & contract related	54.3	(17.1)	26.4	16.5	(4.5)	111.1	65.8	91.2	30.7
BOT (Toll)	29.2	(8.7)	44.3	(38.4)	19.4	(7.7)	(11.0)	8.0	(10.8)
Sale of goods (RMC, ect.)	13.8	24.0	11.9	9.6	10.2	32.1	6.7	6.0	(2.1)
Total revenue	51.2	(14.5)	25.7	15.1	(3.5)	101.9	61.6	86.2	28.2

Source: Company, BOBCAPS Research

FIG 3 – ORDER BACKLOG TREND; CURRENT EXECUTABLE SHARE AT ~75%

Particulars (Rs mn)	Q1FY18	Q2FY18	Q3FY18	Q4FY18	Q1FY19	Q2FY19	Q3FY19	Q4FY19	Q1FY20
Order backlog									
-Roads EPC (non-captive)	22,321	20,984	19,211	20,191	27,669	26,231	25,420	21,240	20,661
-Roads EPC (BOT/HAM - captive)	24,190	22,829	23,058	22,367	56,845	53,716	48,934	56,024	50,359
-Power T&D	17,818	17,288	17,157	15,931	23,312	17,690	13,568	10,624	8,250
-Railways	-	-	-	-	-	-	7,451	7,726	10,946
-CGD	-	-	-	-	-	-	-	966	162
Total	64,329	61,101	59,430	58,488	1,07,830	97,637	95,373	96,580	90,378
Book-to-bill ratio (x)	3.0	3.0	2.7	2.6	4.8	3.7	3.1	2.7	2.4
Order backlog share (%)									
-Roads EPC (non-captive)	34.7	34.3	32.3	34.5	25.7	26.9	26.7	22.0	22.9
-Roads EPC (BOT/HAM - captive)	37.6	37.4	38.8	38.2	52.7	55.0	51.3	58.0	55.7
-Power T&D	27.7	28.3	28.9	27.2	21.6	18.1	14.2	11.0	9.1
-Railways	-	-	-	-	-	-	7.8	8.0	12.1
-CGD	-	-	-	-	-	-	-	1.0	0.2
Order inflow	-	-	4,500	6,621	55,695	-	7,451	14,332	-

Source: Company, BOBCAPS Research

FIG 4 – GROSS EXTERNAL DEBT PROFILE*

Debt (Rs mn)	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19
Project debt	43,007	44,911	45,416	46,357	46,542	47,025	48,864	49,591	50,529
Standalone debt	1,498	1,398	2,549	78	1,148	3,880	5,928	7,199	5,810
Consolidated debt	44,505	46,309	47,965	46,435	47,690	50,905	54,792	56,790	56,339
Standalone debt break-up									
-Equipment loan	614	705	818	1,041	1,102	1,131	2,370	2,445	2,372
-Working capital	884	693	1,731	37	46	2,749	2,058	3,254	1,938
-NCDs	-	-	-	-	-	-	1,500	1,500	1,500
Total gross debt	1,498	1,398	2,549	1,078	1,148	3,880	5,928	7,199	5,810

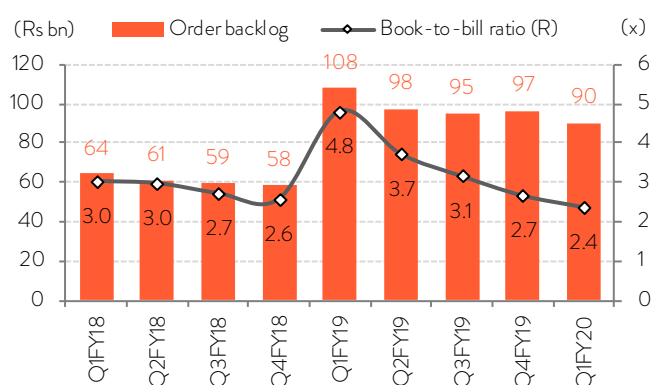
Source: Company, BOBCAPS Research | *Excludes debt taken from subsidiaries

FIG 5 – GROSS TOLL COLLECTION TREND

Gross toll collections (Rs mn)	Q1FY18	Q2FY18	Q3FY18	Q4FY18	Q1FY19	Q2FY19	Q3FY19	Q4FY19	Q1FY20
Belgaum Dharwad	214	208	231	224	230	217	233	235	237
Dhankuni Kharagpur	786	757	783	849	893	888	867	884	905
Bhandara Project	156	150	168	174	167	160	168	178	174
Durg	190	185	202	207	195	193	199	207	198
Jaora - Nayagaon	474	503	530	523	516	516	497	490	460
Sambalpur Baragarh	145	141	166	180	180	173	181	184	171
Total ACL projects	1,966	1,945	2,080	2,158	2,181	2,147	2,146	2,177	2,145
Ahmednagar-Aurangabad	64	64	81	69	94	71	78	75	84
Waiganaga Bridge	75	71	77	80	75	71	74	79	77
Katni Bypass	55	44	53	57	58	48	55	54	60
Total Non-ACL projects	195	179	211	205	227	191	206	207	220
Others	251	214	244	90	123	174	6	5	8
Gross toll collections	2,412	2,337	2,534	2,454	2,530	2,512	2,358	2,389	2,373
Like-to-like revenue (ex-others)	2,161	2,123	2,291	2,364	2,407	2,338	2,352	2,384	2,365
% growth YoY									
Belgaum Dharwad	15.3	17.0	21.6	16.6	7.2	4.2	1.0	4.6	3.0
Dhankuni Kharagpur	19.3	16.3	14.3	15.6	13.6	17.2	10.7	4.0	1.3
Bhandara Project	33.4	22.1	30.7	23.8	6.8	7.0	0.3	2.1	4.3
Durg	22.7	27.0	31.1	35.5	2.5	4.0	(1.5)	(0.2)	1.6
Jaora - Nayagaon	150.0	180.5	186.2	170.8	9.1	2.7	(6.1)	(6.4)	(11.0)
Sambalpur Baragarh	(64.4)	(66.7)	(63.1)	(61.4)	23.8	22.3	9.2	2.0	(4.6)
Total ACL projects	14.7	14.3	16.1	14.8	10.9	10.4	3.2	0.8	(1.6)
Ahmednagar-Aurangabad	2.5	(12.6)	(11.3)	10.2	45.5	10.1	(3.7)	8.1	(10.8)
Waiganaga Bridge	(0.6)	2.9	5.8	2.4	(0.9)	1.1	(4.8)	(1.0)	2.4
Katni Bypass	1.6	3.6	12.2	11.2	4.8	11.0	2.8	(5.3)	3.1
Total Non-ACL projects	1.0	(3.1)	(0.1)	7.3	16.0	6.8	(2.5)	0.9	(2.9)
Gross toll collections	23.1	21.3	20.6	13.7	4.9	7.5	(7.0)	(2.6)	(6.2)
Like-to-like revenue (ex-others)	13.3	12.6	14.4	14.1	11.4	10.1	2.7	0.8	(1.7)

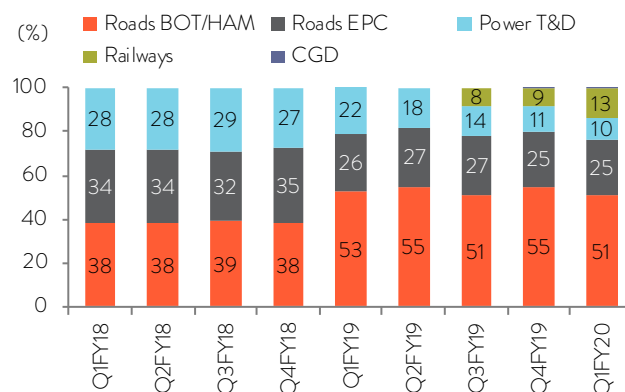
Source: Company, BOBCAPS Research

FIG 6 – STRONG ORDER BACKLOG OF RS 90.4BN



Source: Company, BOBCAPS Research

FIG 7 – SEGMENTAL ORDER BACKLOG BREAKUP



Source: Company, BOBCAPS Research

Valuation methodology

ASBL offers an attractive combination of strong earnings growth, low leverage and compelling valuations. We believe an uptick in traffic movement along its toll-road stretches will improve predictability of cash flows from operational assets. Further, with a well-capitalised balance sheet and core focus on the roads segment, the company is positioned to exploit upcoming growth opportunities offered by India's roads sector, especially from the ~Rs 700bn bid pipeline expected to flow from NHA over the next 6-9 months.

We model for a 15.5% standalone revenue CAGR from ASBL over FY19-FY22 led by its strong order backlog of Rs 90.4bn as on Jun'19. Of the five HAM projects won in Q4FY18, three have been awarded ADs with the remaining dates likely to come through by Q3FY20 – this should propel execution from H2FY20.

Post the Q1FY20 result, we pare our FY20/FY21 EPS forecast by 1.6%/4.1% mainly to build in lower-than-estimated revenue, partly offset by below-expected interest cost. ASBL is trading at 5.8x/5.1x FY20E/FY21E standalone earnings, adjusted for the value of its assets (Rs 62/sh). We reiterate BUY and roll valuations forward to a revised Jun'20 SOTP-based TP of Rs 185 (from Rs 205).

FIG 8 – REVISED ESTIMATES

(Rs mn)	FY20E			FY21E		
	Old	New	Change (%)	Old	New	Change (%)
Revenue	47,543	45,217	(4.9)	56,700	51,806	(8.6)
EBITDA	5,950	5,668	(4.7)	7,037	6,439	(8.5)
EBITDA margin (%)	12.5	12.5	2bps	12.4	12.4	2bps
Adjusted PAT	3,013	2,966	(1.6)	3,489	3,346	(4.1)
PAT margin (%)	6.3	6.6	22bps	6.2	6.5	30bps

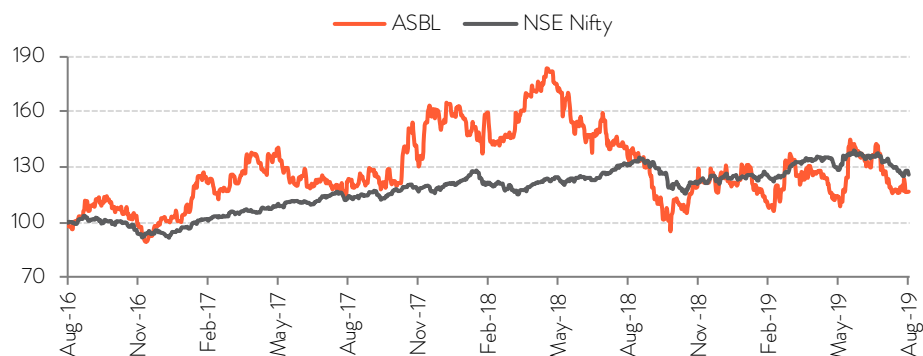
Source: Company, BOBCAPS Research

For our SOTP model, we value (i) the standalone business at Rs 123/sh based on 11x Jun'21E earnings (down from 12x earlier due to near-term growth headwinds), and (ii) operational, HAM and CGD assets (61% stake in ACL assets and pro-rata stake in own assets) at Rs 62/sh using DCF and P/BV, assuming cost of equity of 11-15% for operational assets and 1x P/BV for equity invested up to Mar'20E in HAM and CGD projects.

FIG 9 – JUN'20 SOTP-BASED TARGET PRICE OF RS 185

Business	Basis of valuation	Value (Rs mn)	Per share (Rs)
(a) Value of ABL assets	NPV of FCFE at 11-14% COE and 1x P/BV for CGD projects as on Mar'20E	7,236	26
(b) Value of ABL is ACL assets	NPV of FCFE at 11-15% COE and 1x P/BV for HAM projects (pro-rata stake of 61%) as on Mar'20E	10,282	37
(I) Total value of assets (a+b)		17,517	62
(II) Value of standalone business	11x P/E on Jun'21E earnings	34,610	123
Total (I + II)		52,127	185
O/s share (mn)		281	

Source: Company, BOBCAPS Research

FIG 10 – RELATIVE STOCK PERFORMANCE

Source: NSE

Key risks

- **Slowdown in road sector capex:** Capex in the roads sector has witnessed some revival over the last two years. Any slowdown in project awarding would impact the company's growth and our estimates.
- **Delayed execution of projects in hand:** Delays in execution of projects in hand due to hurdles in land acquisition, slow award of appointed dates or other regulatory bottlenecks could adversely affect ASBL's revenue. In addition, its IRR for under-construction projects can be dampened by execution delays.
- **Slowdown in traffic:** Slowdown in economic activity in areas where ASBL's toll BOT projects are based may lead to below-expected revenue collection, resulting in negative free cash flows. This may cause the company to infuse further equity from its standalone balance sheet to support its BOT SPVs.

FINANCIALS (STANDALONE)

Income Statement

Y/E 31 Mar (Rs mn)	FY18A	FY19A	FY20E	FY21E	FY22E
Total revenue	24,483	38,206	45,217	51,806	58,825
EBITDA	2,934	5,152	5,668	6,439	7,032
EBIT	1,917	3,482	3,557	4,119	4,470
Net interest income/(expenses)	(485)	(907)	(977)	(1,009)	(1,052)
Other income/(expenses)	978	1,157	869	874	882
Exceptional items	0	0	0	0	0
EBT	2,895	4,640	4,426	4,993	5,351
Income taxes	(524)	(1,307)	(1,460)	(1,648)	(1,766)
Extraordinary items	0	(470)	0	0	0
Min. int./Inc. from associates	0	0	0	0	0
Reported net profit	2,370	2,862	2,966	3,346	3,585
Adjustments	0	0	0	0	0
Adjusted net profit	2,370	3,332	2,966	3,346	3,585

Balance Sheet

Y/E 31 Mar (Rs mn)	FY18A	FY19A	FY20E	FY21E	FY22E
Accounts payables	6,097	8,867	10,452	12,010	13,699
Other current liabilities	6,727	6,228	7,993	8,477	9,670
Provisions	604	700	705	729	748
Debt funds	1,599	7,936	7,636	7,986	8,386
Other liabilities	4,980	7,235	8,153	9,077	10,080
Equity capital	936	1,404	1,404	1,404	1,404
Reserves & surplus	18,327	20,717	23,323	26,308	29,105
Shareholders' fund	19,263	22,120	24,726	27,712	30,509
Total liabilities and equities	39,269	53,086	59,665	65,991	73,092
Cash and cash eq.	1,235	550	615	644	690
Accounts receivables	10,117	15,513	15,371	17,661	20,146
Inventories	5,031	7,710	9,223	10,597	12,087
Other current assets	2,169	3,182	3,689	4,239	4,835
Investments	13,182	13,641	14,421	14,671	14,921
Net fixed assets	2,174	3,799	3,665	3,354	3,094
CWIP	150	55	55	55	55
Intangible assets	0	0	0	0	0
Deferred tax assets, net	349	518	518	518	518
Other assets	4,862	8,117	12,107	14,251	16,746
Total assets	39,269	53,086	59,665	65,991	73,092

Source: Company, BOBCAPS Research

Cash Flows

Y/E 31 Mar (Rs mn)	FY18A	FY19A	FY20E	FY21E	FY22E
Net income + Depreciation	2,903	3,625	4,100	4,657	5,096
Interest expenses	485	907	977	1,009	1,052
Non-cash adjustments	0	0	0	0	0
Changes in working capital	(393)	(7,721)	(1,594)	(3,368)	(3,162)
Other operating cash flows	0	0	0	0	0
Cash flow from operations	2,995	(3,189)	3,483	2,298	2,986
Capital expenditures	(987)	(2,293)	(1,000)	(1,000)	(1,250)
Change in investments	(117)	(459)	(780)	(250)	(250)
Other investing cash flows	0	0	0	0	0
Cash flow from investing	(1,104)	(2,752)	(1,780)	(1,250)	(1,500)
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	(406)	6,337	(300)	350	400
Interest expenses	(485)	(907)	(977)	(1,009)	(1,052)
Dividends paid	(360)	0	(360)	(360)	(788)
Other financing cash flows	(43)	(173)	0	0	0
Cash flow from financing	(1,294)	5,257	(1,637)	(1,019)	(1,440)
Changes in cash and cash eq.	596	(685)	65	29	46
Closing cash and cash eq.	1,235	550	615	644	690

Per Share

Y/E 31 Mar (Rs)	FY18A	FY19A	FY20E	FY21E	FY22E
Reported EPS	8.4	10.2	10.6	11.9	12.8
Adjusted EPS	8.4	11.9	10.6	11.9	12.8
Dividend per share	1.1	0.0	1.1	1.1	2.4
Book value per share	68.6	78.8	88.1	98.7	108.7

Valuations Ratios

Y/E 31 Mar (x)	FY18A	FY19A	FY20E	FY21E	FY22E
EV/Sales	1.4	0.9	0.9	0.8	0.7
EV/EBITDA	11.9	6.6	7.2	6.3	5.8
Adjusted P/E	14.2	10.1	11.4	10.1	9.4
P/BV	1.7	1.5	1.4	1.2	1.1

DuPont Analysis

Y/E 31 Mar (%)	FY18A	FY19A	FY20E	FY21E	FY22E
Tax burden (Net profit/PBT)	81.9	71.8	67.0	67.0	67.0
Interest burden (PBT/EBIT)	151.0	133.2	124.4	121.2	119.7
EBIT margin (EBIT/Revenue)	7.8	9.1	7.9	8.0	7.6
Asset turnover (Revenue/Avg TA)	66.4	82.7	80.2	82.5	84.6
Leverage (Avg TA/Avg Equity)	2.0	2.2	2.4	2.4	2.4
Adjusted ROAE	13.0	16.1	12.7	12.8	12.3

Source: Company, BOBCAPS Research | Note: TA = Total Assets

Ratio Analysis

Y/E 31 Mar	FY18A	FY19A	FY20E	FY21E	FY22E
YoY growth (%)					
Revenue	21.6	56.1	18.4	14.6	13.5
EBITDA	20.9	75.6	10.0	13.6	9.2
Adjusted EPS	34.6	40.6	(11.0)	12.8	7.2
Profitability & Return ratios (%)					
EBITDA margin	12.0	13.5	12.5	12.4	12.0
EBIT margin	7.8	9.1	7.9	8.0	7.6
Adjusted profit margin	9.7	8.7	6.6	6.5	6.1
Adjusted ROAE	13.0	16.1	12.7	12.8	12.3
ROCE	17.1	22.2	17.6	17.9	17.4
Working capital days (days)					
Receivables	153	148	125	125	125
Inventory	76	74	75	75	75
Payables	92	85	85	85	85
Ratios (x)					
Gross asset turnover	5.6	6.3	5.9	5.9	6.0
Current ratio	1.2	1.5	1.5	1.5	1.6
Net interest coverage ratio	3.9	3.8	3.6	4.1	4.2
Adjusted debt/equity	0.0	0.3	0.3	0.3	0.3

Source: Company, BOBCAPS Research

Disclaimer

Recommendations and Absolute returns (%) over 12 months

BUY – Expected return >+15%

ADD – Expected return from >+5% to +15%

REDUCE – Expected return from -5% to +5%

SELL – Expected return <-5%

Note: Recommendation structure changed with effect from 1 January 2018 (Hold rating discontinued and replaced by Add / Reduce)

HISTORICAL RATINGS AND TARGET PRICE: ASHOKA BUILDCON (ASBL IN)



B – Buy, A – Add, R – Reduce, S – Sell

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