

ASHOKA BUILDCON LTD



JANUARY 2025

WHY IT IS A BUY:

- High management efficiency with a high ROCE of 27.04%.
- With a growth in Net Profit of 289.4%, the company declared outstanding results in Sep 2024
 - OPERATING PROFIT to INTEREST (Q) Highest at 2.95 times.
 - OPERATING CF (Y) Highest at Rs 748.84 Cr
 - NET SALES (HY) at Rs 4,954.32 Cr has grown at 21.15%
- With ROCE at 30.3, it has very attractive valuation with a 1.8 Enterprise value to Capital Employed.
- Company has a good Return on Equity (ROE) track record of 3 years ROE is 28.3%
- Company's median sales growth is 21.0% of last 10 years.
- Stock is technically in a BULLISH stance: Monthly Chart Cup and Handle breakout.
- High Institutional Holdings at 25.74%

Investors Returns (3 years)

Period	6M	1Y	2Y	3Y
Stock (%)	361.17%	122.74%	246.04%	208.51%
Sector (%)	-0.61%	-0.61%	122.30%	154.63%
Sensex (%)	-1.86%	7.97%	28.19%	33.89%



B.N.RATHI
SECURITIES LIMITED

JANUARY 2025

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High management efficiency with a high ROCE of 27.04%

Company has been able to generate a ROCE of 27.04% signifying high profitability per unite of total capital.

High Institutional Holdings at 25.74% as investors have better capability and resources to analyse fundamentals of companies than most retail investors.

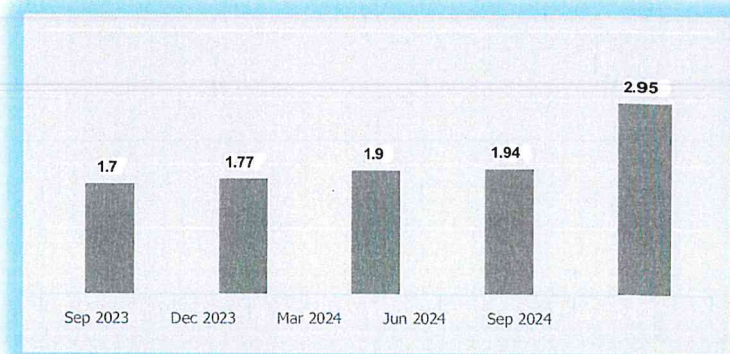
High tax ratio signifies that profits generated and is making adequate contributions towards by paying due taxes.

With a growth in NET PROFIT of 289.4% Company declared outstanding results in SEPTEMBER 2024.

Company ability to manage interest Payments is improving

Operating Profits to Interest Highest at 2.95 times

And grown each quarter in the last five quarters.



Near term PBT trend is positive

PBT less other income Highest at Rs 500.04 Cr

in the last five quarters.



Near term PAT trend is positive

PAT Highest at Rs 457.04 Cr in the last five quarters.





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QUARTERLY RESULTS:

	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24
Sales	2448	1935	2154	2657	3052	2465	2489
Expenses	1893	1462	1608	2070	2426	1866	1584
Operating Profit	556	473	546	587	626	599	905
OPM%	23%	24%	25%	22%	21%	24%	36%
Other Income	-42	38	41	42	193	29	40
Interest	288	319	321	337	334	308	307
Depreciation	87	96	99	103	68	94	98
Profit before tax	139	97	167	189	417	227	540
Ta%	132%	26%	29%	48%	39%	30%	14%
Net Profit	-45	72	119	99	254	158	462
EPS in Rs	-1.49	2.41	4.00	3.43	8.89	5.36	16.28

ANNUAL RESULTS:

	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Sales	3601	4930	5070	4992	5999	8100	9798
Expenses	2462	3537	3495	3455	4210	6132	7564
Operating Profit	11440	1393	1575	1536	1789	1969	2235
OPM %	32%	28%	31%	31%	30%	24%	23%
Other Income	111	17	93	147	485	64	312
Interest	994	1021	1043	970	1004	1104	1310
Depreciation	291	258	300	276	338	341	367
Profit before tax	-35	131	326	438	932	588	870
Tax %	239%	131%	51%	38%	17%	50%	40%
Net Profit	-119	-40	160	273	771	294	521
EPS in Rs	-3.96	-1.19	5.89	9.84	27.73	10.43	17.92



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BALANCE SHEET:

	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Equity Capital	94	140	140	140	140	140	140
Reserves	222	147	274	479	1240	1535	2080
Borrowings	5102	6044	6262	6719	3635	5509	5450
Other Liabilities	6132	6770	6958	6879	10389	9860	11335
Total Liabilities	11550	13101	13634	14217	15405	17045	19005
Fixed Assets	7875	7874	7693	7488	1309	6927	6689
CWIP	46	58	77	62	73	62	39
Investments	247	284	186	214	65	73	112
Other Assets	3381	4885	5678	6454	13959	9982	12165
Total Assets	11550	13101	13634	14217	15405	17045	19005

SHAREHOLDING PATTERN:

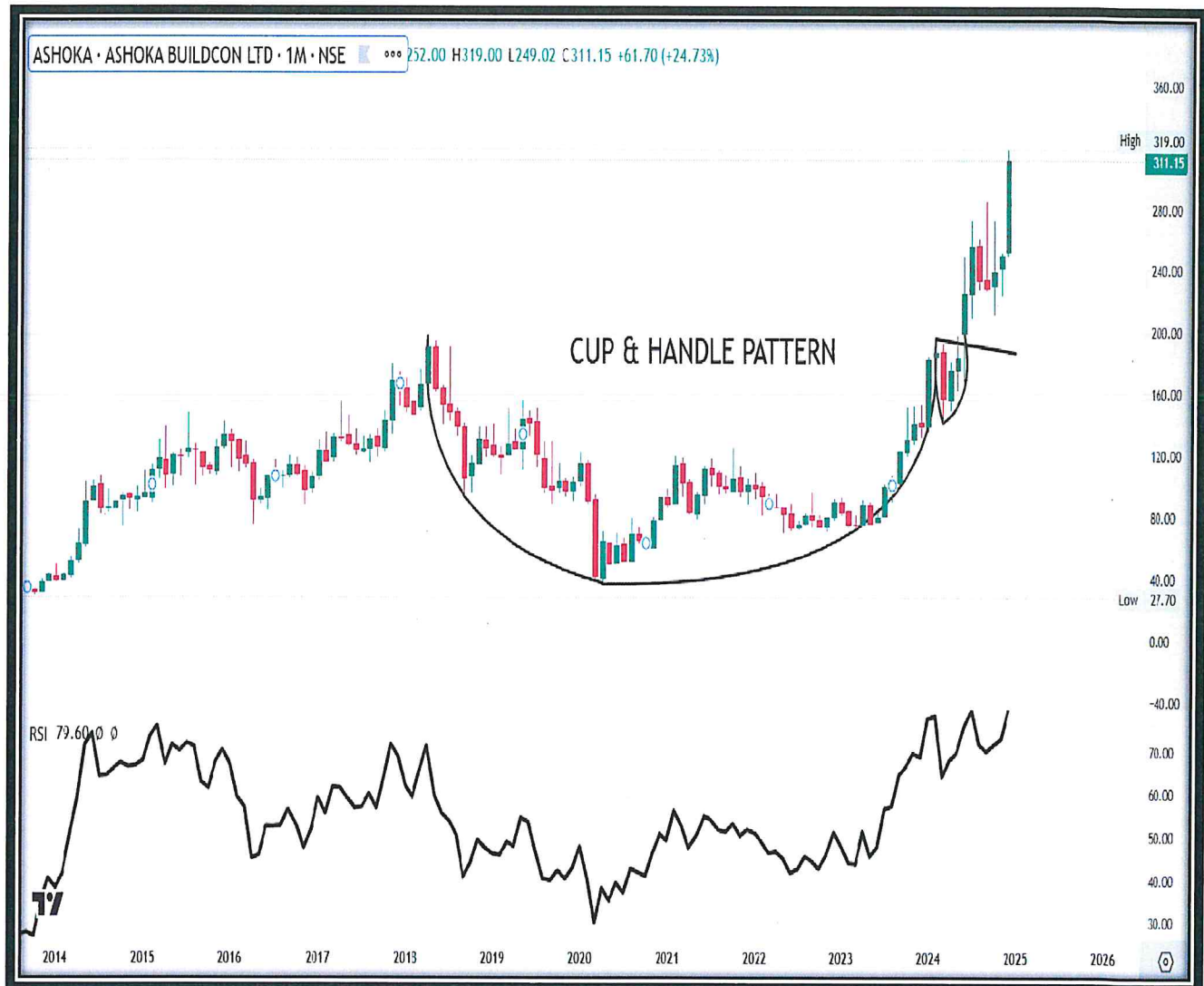
	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24
PROMOTERS	54.48%	54.48%	54.48%	54.48%	54.47%	54.47%	54.47%
FII	1.90%	2.40%	2.97%	4.51%	7.23%	7.63%	7.95%
DII	19.67%	18.64%	19.96%	19.72%	17.63%	19.32%	17.79%
PUBLIC	23.93%	24.48%	22.60%	21.28%	20.66%	18.57%	19.80%



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TECHNICAL ANALYSIS:



The above Monthly chart prices made an all-time highs of 196.53 in April 2018 since then the prices traded sideways to lower. Prices breached the “**Cup and Handle**” formation which is the cup formation decline and recovery from the March 2024-June 2024 and the handle formation from high of 195.50-140.90 levels. Prices breached the trend line resistance resuming the bullish trend intact and sustaining well above the same suggesting the bullishness. The RSI 14 period is trading at 79 level which is showing strength and suggests that momentum is turning in favor of the bulls and we expect prices to trade higher in the coming months.

Sources:

www.nseindia.com www.bseindia.com www.moneycontrol.com
www.screener.in www.in.tradingview.com



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