ANANDRATHI

India I Equities

Infrastructure

Company Update

Change in Estimates ☑ Target ☑ Reco ☐

18 November 2019

Ashoka Buildcon

Rating: **Buy**
Target Price: ₹185
Share Price: ₹94

Valuations appealing, SBI-Macquarie exit holds the key; Buy

Though softened from Q1, Ashoka's Q2 growth was still good, coming in the backdrop of the heavy monsoons. With the rains now past, and as work gets going at the two recently appointed hybrid annuity and the recent additions, growth ahead is expected to be healthy. The balance sheet, too, is in shape to ensure growth doesn't falter for want of funds. Inflows could have been better; the expected year-end spurt in awarding should help. In the BOT toll segment, the monsoon added to constrained economic activity, and to a project-specific issue. On the sturdy balance sheet and benign valuations, we retain our Buy rating.

Two more hybrid annuities appointed, seven live now. With the post-Q2 receipt of appointed dates for the first two packages of Tumkur-Shivamogga, seven hybrid annuities are now being developed. The eighth, Tumkur-Shivamogga–IV, awaits concession signing. Of the first two projects, PCOD is expected for the available RoW at Kharar-Ludhiana.

Guidance lowered slightly, but still good. Delayed appointed dates, RoW issues for TOT and the monsoon-impacted Q2 made management lower revenue guidance from 25-30% earlier to 20-25%. Margin guidance held at 11-12.5%, but FY20 is expected to be better on the strong Q2. Inflow guidance has been held at ~₹40bn-60bn, but is subject to return of the NHAI awarding.

Standalone debt down q/q. Gross debt (standalone) coming ~₹1.2bn q/q lower was possible on the recovery of a part of the loans extended to the BOT Holdco and to positive core operations. However, consolidated debt was up ~₹2.5bn q/q largely due to SPV level draw-downs to fund project execution and ~₹1.5bn NCDs raised by the BOT Holdco.

Valuation. On the stronger-than-expected margins and shift to the new tax regime, our FY20e PAT has been raised ~64% (and ~33% for FY21) due to the low base (owing to losses in the SPVs). On the revised estimates, the stock (excl. investments) trades at PER of 7x FY20e and 6x FY21e, against a TP-implied exit multiple of 12x FY21e. **Risk.** Slow pace of project execution.

Key financials (YE Mar)	FY17	FY18	FY19	FY20e	FY21e
Sales (₹ m)	29,797	36,030	49,301	56,592	62,382
Net profit (₹ m)	-2,052	-1,111	267	1,421	2,341
EPS (₹)	-7.3	-4.0	1.0	5.1	8.3
Growth (%)	-	-	-	432.9	64.7
PE (x)	-	-	135.7	18.6	11.3
EV / EBITDA (x)	8.7	7.9	6.7	6.3	6.8
PBV (x)	7.7	13.1	12.6	6.6	4.6
RoE (%)	-17.6	-28.3	8.8	41.3	47.6
RoCE (%)	9.4	10.8	13.6	12.9	11.3
Net debt / equity (x)	7.9	11.7	14.0	14.3	12.1

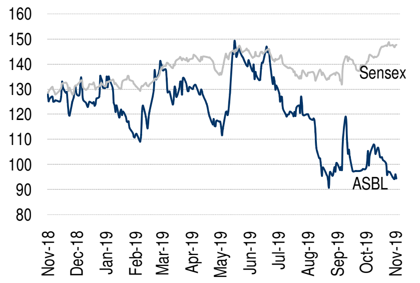
Source: Company, Anand Rathi Research

Key data	ASBL IN / ABDL.BO
52-week high / low	₹155 / 93
Sensex / Nifty	40284 / 11885
3-m average volume	$0.7m
Market cap	₹26.5bn / $370m
Shares outstanding	281m

Shareholding pattern (%)	Sep-19	Jun-19	Mar-19
Promoters	54.3	54.3	54.3
- of which, Pledged	-	-	-
Free float	45.7	45.7	45.7
- Foreign institutions	3.9	4.3	4.0
- Domestic institutions	33.8	32.7	33.3
- Public	8.1	8.8	8.5

Estimates revision (%)	FY20e	FY21e
Sales	0.1	0.0
EBITDA	1.3	1.1
EPS (₹)	64.1	33.3

Relative price performance



Source: Bloomberg

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Quick Glance – Financials and Valuations (consolidated)

Fig 1 – Income statement (₹ m)

Year-end: Mar	FY17	FY18	FY19	FY20e	FY21e
Order backlog	70,048	58,488	84,390	92,258	1,04,742
Orders	48,092	12,446	65,286	50,000	60,000
Net revenues	**29,797**	**36,030**	**49,301**	**56,592**	**62,382**
Growth (%)	*5.3*	*20.9*	*36.8*	*14.8*	*10.2*
Direct costs	18,260	22,276	31,916	37,078	42,064
SG&A	2,031	2,359	3,443	3,707	3,961
EBITDA	**9,506**	**11,395**	**13,943**	**15,807**	**16,357**
EBITDA margins (%)	*31.9*	*31.6*	*28.3*	*27.9*	*26.2*
Depreciation	2,640	2,914	2,582	3,132	3,497
Other income	815	516	771	668	679
Interest expenses	9,078	9,938	10,213	10,283	9,635
PBT	-1,397	-942	1,918	3,062	3,905
Effective tax rate (%)	*-50.0*	*-88.9*	*89.1*	*60.4*	*45.8*
+ Associates / (Minorities)	44	667	58	209	223
Net income	-2,052	-1,111	-335	1,421	2,341
Adjusted income	-2,052	-1,111	267	1,421	2,341
WANS	281	281	281	281	281
FDEPS (₹ / sh)	-7.3	-4.0	1.0	5.1	8.3

Source: Company, Anand Rathi Research

Fig 2 – Balance sheet (₹ m)

Year-end: Mar	FY17	FY18	FY19	FY20e	FY21e
Share capital	936	936	1,404	1,404	1,404
Net worth	4,695	3,160	2,869	4,021	5,823
Debt	47,544	51,015	60,443	75,991	87,070
Minority interest	1,169	937	1,189	1,125	1,163
DTL / (Assets)	-327	-394	-555	-555	-555
Capital employed	**53,080**	**54,718**	**63,947**	**80,583**	**93,501**
Net tangible assets	1,863	2,393	4,162	4,272	4,395
Net intangible assets	78,299	76,355	74,576	73,349	71,547
Goodwill	-	-	-	-	-
CWIP (tang. & intang.)	366	464	581	263	263
Investments (strategic)	1,462	1,964	1,670	1,815	2,076
Investments (financial)	402	508	1,165	-	-
Current assets (excl. cash)	24,300	30,886	45,956	68,762	85,928
Cash	1,023	2,532	2,342	2,411	2,722
Current liabilities	54,632	60,385	66,506	70,289	73,430
Working capital	-30,333	-29,498	-20,550	-1,527	12,498
Capital deployed	**53,080**	**54,718**	**63,947**	**80,583**	**93,501**
Contingent liabilities	11,252	17,097	24,702	-	-

Source: Company, Anand Rathi Research

Fig 3 – Cash-flow statement (₹ m)

Year-end: Mar	FY17	FY18	FY19	FY20e	FY21e
PBT+ Net interest expense	6,866	8,481	11,360	12,676	12,861
+ Non-cash items	2,640	2,914	2,582	3,132	3,497
Oper. prof. before WC	9,506	11,395	13,943	15,807	16,357
- Incr. / (decr.) in WC	287	834	8,949	19,023	14,024
Others incl. taxes	744	904	1,870	1,849	1,787
Operating cash-flow	8,474	9,657	3,124	-5,065	546
- Capex (tang. + intang.)	1,345	1,599	2,689	1,696	1,818
Free cash-flow	7,129	8,057	435	-6,761	-1,273
Acquisitions	-	-	-	-	-
- Div. (incl. buyback & taxes)	359	359	-	539	539
+ Equity raised	-	-	-0	0	-
+ Debt raised	554	3,405	9,267	15,549	11,078
- Fin investments	-413	608	364	-1,020	261
- Net int. expense + Misc.	8,422	8,985	9,528	9,200	8,694
Net cash-flow	-686	1,510	-190	68	311

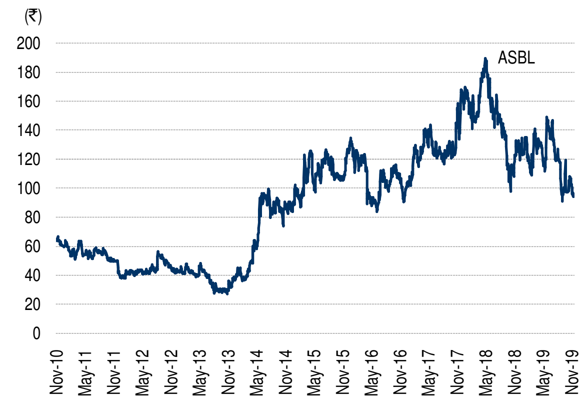
Source: Company, Anand Rathi Research

Fig 4 – Ratio analysis

Year-end: Mar	FY17	FY18	FY19	FY20e	FY21e
P/E (x)	-	-	135.7	18.6	11.3
EV / EBITDA (x)	8.7	7.9	6.7	6.3	6.8
EV / Sales (x)	2.8	2.5	1.9	1.8	1.8
P/B (x)	7.7	13.1	12.6	6.6	4.6
RoE (%)	-17.6	-28.3	8.8	41.3	47.6
RoCE (%)	9.4	10.8	13.6	12.9	11.3
Sales / FA (x)	0.4	0.5	0.6	0.7	0.8
DPS (₹ / sh)	1.1	1.1	-	1.6	1.6
Dividend yield (%)	0.8	0.7	-	1.7	1.7
Dividend payout (%)	-	-	-	37.9	23.0
Net debt / equity (x)	7.9	11.7	14.0	14.3	12.1
Receivables (days)	44	70	78	76	78
Inventory (days)	44	42	32	33	34
Payables (days)	70	66	76	75	77
CFO : PAT %	-412.9	-869.0	1,171.3	-356.3	23.3

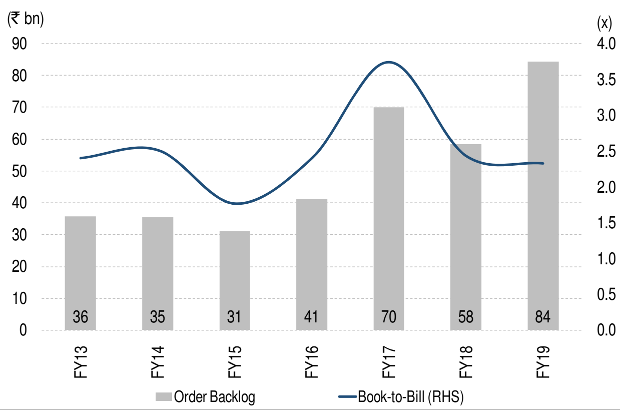
Source: Company, Anand Rathi Research

Fig 5 – Price performance



Source: Bloomberg

Fig 6 – Yearly OB trend



Source: Company

Result / Concall Highlights

Income statement

- **Hybrids drive revenue growth.** Notwithstanding the protracted monsoon and RoW issues with the TOT EPC project, the healthy pace of execution at Ashoka's appointed hybrid annuity projects and its power T&D's healthy contribution helped it deliver a comforting Q2 with ~₹8.2bn revenue.
  - With Q2 revenue growing ~8% y/y, H1 revenue growth was ~17% y/y, against the revised 20-25% revenue growth guidance.
  - H1 revenue was only ~37% of the lower end of the FY20 revenue guidance. Thus, H2 would need to be considerably better than H1 to deliver on guidance. The recently appointed hybrid annuities, and any early resolution of the RoW issues with TOT EPC & commencement of overlay would help.
  - Of Q2 EPC revenue, roads brought ~₹6.44bn (~₹6.84bn the quarter prior), power T&D and Railways, ~₹1.47bn (~₹1.4bn). The balance stemmed from the sale of goods and the BOT toll.

Fig 7 – Financial highlights – standalone

(₹ m)	Q1 FY19	Q2 FY19	Q3 FY19	Q4 FY19	Q1 FY20	Q2 FY20	% Y/Y	% Q/Q
Sales	6,837	7,644	10,651	13,074	8,768	8,223	7.6	-6.2
EBITDA	813	1,037	1,487	1,815	1,095	1,229	18.5	12.3
EBITDA margin (%)	*11.9*	*13.6*	*14.0*	*13.9*	*12.5*	*14.9*	*138bps*	*246bps*
Interest	171	130	239	367	214	231	78.3	8.2
Depreciation	136	166	202	260	266	271	63.9	2.0
Other income	366	157	254	380	342	392	149.1	14.6
Exceptional items	-	-	398	73	-	-	-	-
PBT	871	899	903	1,496	957	1,118	24.4	16.8
Tax	232	278	281	516	310	391	40.7	26.0
PAT	639	621	622	980	647	727	17.1	12.4
Adj. PAT	639	621	895	1,028	647	727	17.1	12.4
Adj. EPS	2.3	2.2	3.2	3.7	2.3	2.6	17.1	12.4

Source: Company

- **Review of costs drive margins.** With hybrid annuities comprising a significant portion of the revenues recognised, and with a review of cost estimates for some of the nearly complete projects, the margin, at ~14.9%, was at a 12-quarter high, and comfortably crossed the 11-12.5% guidance.
  - We estimate hybrid annuities to have made up ~45% of the quarter's revenue and, consequently, the key reason for the y/y better margins.
- **Healthy earnings growth but contained by deferred tax adjustment.** The shift to the newer tax regime resulted in a re-measurement of deferred tax, and thus, there is a one-time tax adjustment of ~₹89m. The effective tax rate, consequently, was ~35% (up from ~31% a year ago), and that contained earnings growth was ~17% y/y (to ~₹0.7bn). The higher depreciation (owing to the shored up equipment bank in FY19) and finance costs were largely offset by strong growth in other income.

Reported toll collection as well as comparable toll collection, down

- Q2 gross toll collection slipped ~8% y/y to ~₹2.3bn, largely due to short-term toll collection ceasing. Adjusted for the ceased tolling contract, gross toll collection was down ~2% y/y. And further adjusted for Ahmednagar-Aurangabad (received compensation toward toll-free PCUs in Q2), comparable gross toll collection was down ~3% y/y.

- With Ashoka Concessions' portfolio accounting for ~90% of collections, toll-fee growth for seven ACL assets determine the portfolio growth. The ACL portfolio declined ~3% y/y.
  - Jaora-Nayagaon was the key let-down yet again, with a ~16% y/y drop in collection. Besides the general slowdown and protracted construction activity at a feeder stretch, the monsoon too had a role to play in the lower traffic in the quarter. Management expects toll collection to normalise gradually on completion of construction (soon expected).
- During the quarter, toll fees at Durg and Bhandara were hiked ~4% (effective Sep'19). Management had earlier said there was a ~3.7% tariff hike for the NHAI projects eligible for a hike in Apr'19, and ~7% at the Jaora-Nayagaon project.

Fig 8 – Gross toll collection – Down on a reported basis, as well as comparably

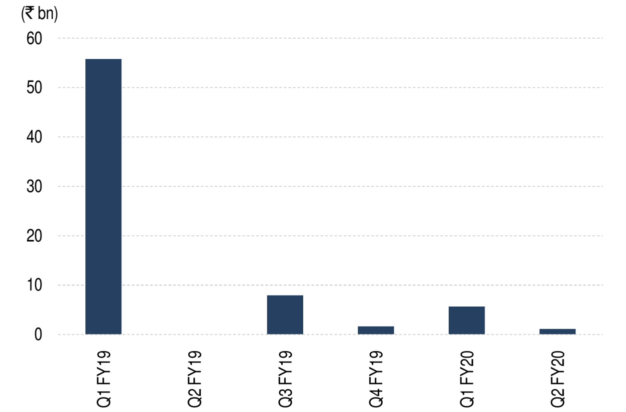
(₹ m)	Q1 FY19	Q2 FY19	Q3 FY19	Q4 FY19	Q1 FY20	Q2 FY20	% Y/Y	% Q/Q
ACL Portfolio								
Belgaum-Dharwad	230	218	233	235	237	213	*-2.5*	*-10.3*
Dhankuni-Kharagpur	893	888	867	884	905	915	*3.1*	*1.2*
Bhandara	167	160	168	178	174	168	*4.9*	*-3.4*
Durg	195	193	199	207	198	190	*-1.1*	*-4.0*
Jaora-Nayagaon	516	516	497	490	460	432	*-16.3*	*-6.0*
Sambalpur-Baragarh	180	173	181	184	171	166	*-4.1*	*-3.2*
ABL Portfolio								
Ahmednagar-Aurangabad	94	71	78	75	84	97	*36.2*	*15.6*
Wainganga Bridge	75	71	74	79	77	72	*1.5*	*-5.4*
Katni Bypass	58	48	55	54	60	50	*2.9*	*-16.9*
Others	123	174	6	5	8	11	*-93.9*	*32.5*
Total	**2,530**	**2,513**	**2,358**	**2,389**	**2,373**	**2,314**	**-7.9**	**-2.5**
Comparable y/y growth (%)	*10.3*	*10.2*	*2.7*	*0.8*	*-1.7*	*-2.7*		

Source: Company

Order Inflow / backlog – Maiden smart infra order, post-Q2

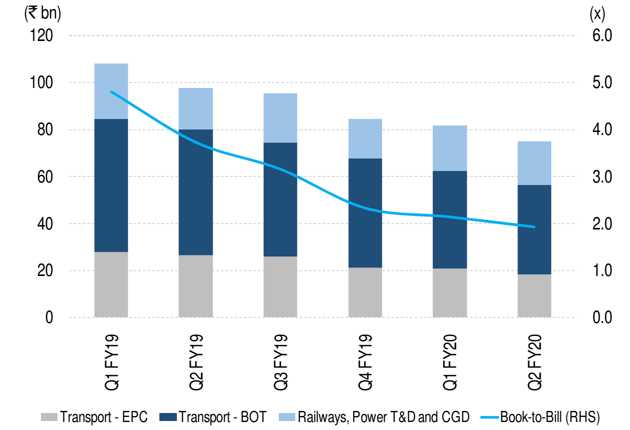
- Barring some additional work in the CGD segment, no new orders were seen in Q2. Consequently, H1 additions significantly lagged revenue recognised; thus, revenue assurance declined. However, subsequent to the quarter, Ashoka secured its maiden order in Smart Infra. Besides, it recently emerged L1 for one of the packages of the Bundelkhand Expressway project.
  - The maiden Smart Infra project entails EPC potential of ~₹3.1bn, and is set to get going shortly. The order does not carry any mobilisation advances, with margins expected in line with the guided-to range.
  - The L1 status in a package of the Bundelkhand Expressway project, once firmed up, holds ~₹10.6bn potential to the order backlog.
  - The L1 status in a hybrid annuity project (Tumkur-Shivamogga Package-IV), having a bid project cost of ~₹13.8bn (EPC value: ~₹8.7bn), stays.

Fig 9 – No new inflows in Q2; only additional CGD work



Source: Company

Fig 10 – End-Q2 OB: ~₹75bn, incl. post Q2/L1 at ~₹97bn



Source: Company

- Reported Q2-order backlog of ~₹75bn implies an ordinary book-to-bill of ~1.9x TTM EPC revenues. However, the revenue assurance turns respectable if one were to consider the post-Q2 addition and L1 orders. Including these, the OB swells to ~₹97bn and the revenue assurance to 2.5x.
- Though the OB seems good to deliver the revenue growth guidance for a year, growth beyond would need orders at the earliest.
- Management said it is open to orders in either formats in roads (hybrid annuity or EPC). Interest in BOT-toll, management had earlier said, would account for the changes being effected in the model to mitigate traffic risks. It said it considers all projects equally, and the margins/returns profiles as prime factors in its bidding.
- It also said it is open to look at state EPC opportunities, including Uttar Pradesh where it sees some progress on defence corridor and Ganga Expressway in the foreseeable future. Thus, for the rest of the year it is eyeing most orders from the NHAI.
- On inflows, though it talked of secure orders of ~₹40bn-60bn in FY20, it acknowledged that the quantum could vary depending on the bidding. It believes the recent muted awarding was largely the result of the NHAI's insistence on ensuring more than 80% land in place before projects are awarded.
- On roads, management highlighted a tender pipeline of ~₹700bn from the NHAI. Management expects bidding for this in the next 3-4 months. It aims at inflows in power T&D. The Railway opportunity, too, is on its radar, though no major visibility at present.

Guidance

- On the protracted monsoon, delayed appointed dates and RoW issues with the TOT EPC order, management lowered its revenue growth guidance to 20-25%, from 25-30% earlier.
  - With only ~37% of the lower end of the guidance attained in H1, H2 would need to be markedly better than H1. For that, execution would need to pick up at the recently appointed two hybrid annuities. An early resolution of the RoW issue with TOT EPC and commencement of overlay would help.
  - Besides, the recently bagged orders would have to start contributing shortly.

- The company guides to FY20 ~11-12.5% EPC EBITDA margin. At ~13.7%, the H1 margin was ahead of the guidance.
- With the recent shift to the newer tax regime, the effective tax rate for FY20 is guided to at ~27-28%. It, exceeding the marginal ~25-26% rate, was largely due to a one-time re-measurement of deferred tax (effect shown in Q2).
- Capex guidance has been raised from Q1's ~₹0.8bn to ~₹0.95bn-1bn for FY20. For FY21, capex expected is ~₹0.8bn-0.9bn.
- Keeping in mind the expected rise in scale of operation in H2 and further equity infusion, management expects standalone gross debt to rise from ~₹4.6bn now to ~₹6bn by the year-end.

Hybrid annuity projects

- The recently secured Tumkur-Shivamogga Package-IV awaits signing of the concession agreement. Management said that the concession signing has been delayed as the NHAI is now trying to sign concessions only after 80% land is in place. This is to avoid/minimise any future litigation. Concession signing for this project is expected in a month.
- With the recent receipt (post-Q2) of appointed dates for the Tumkur-Shivamogga–I and –II, seven of the eight hybrid annuity projects are already under construction.
- Kharar-Ludhiana (the oldest project) is in the process of securing PCOD for the RoW already made available. Management expects the balance to keep coming gradually over the next three months. Thus, the balance OB of ~₹3bn is expected to take some more time.
- **Land status for yet-to be-appointed projects.** Management said
  - **Tumkur-Shivamogga-I and -II.** For Package-I, 3H is now more than 80%, up from ~60% at end-Q1 and ~51% at end-FY19. For Package-II, 60% 3H in the previous quarter has moved to ~80% (FY19-end: ~37%). Management expects the balance land to come through in a couple of quarters.
  - **Tumkur-Shivamogga-IV.** For this package, progress has been from 35%-40% 3G to 45% now. With the Authority now vigorously pursuing the balance RoW, management expects 3G status for 80% to be in place by the middle of next month, and an appointed date five months after.

Fig 11 – Six new hybrid annuity projects – All but one project appointed

₹ bn	State	CA date #	Bid project cost	FC sanctioned cost / TPC	Debt tied-up	Total equity
Mallasandra-Karadi Road*	Karnataka	Apr-18	9.2	7.4	2.8	1.0
Karadi-Banwara Road*	Karnataka	Apr-18	12.2	10.1	**3.9**	1.3
Belgaum-Khanapur Road*	Karnataka	Apr-18	8.6	7.5	**3.0**	1.1
Khairatunda-Barwa*	Jharkhand	May-18	8.6	7.1	2.7	1.0
Ankleshwar-Manubar Expressway*	Gujarat	May-18	16.9	14.8	6.0	2.1
Bettadahalli-Shivamogga Road	Karnataka	Yet awaited	13.8	10.7	-	-
Finances sanctioned			**69.2**	**57.6**	**18.3**	**6.5**
Less: Additional grant						1.8
Net equity requirement						**4.8**

*Source: Company, Anand Rathi Research # CA: Concession agreement * Appointed*

Balance sheet

- Recovery of a part of the loans and advances extended to the BOT holdco (to support equity infusion in the hybrid annuities), and on lower working capital needs, standalone gross debt declined ~₹1.2bn q/q to ~₹4.6bn.
  - The sequential decline is almost entirely due to lower working capital debt (down ~₹1.1bn to ~₹0.8bn) whereas equipment loans were down only ~₹94m.
  - Recovery of loans and advances was possible from the BOT holdco arm, Ashoka Concessions, which raised NCDs of ~₹1.5bn during the quarter. A part of this was utilised to reduce the parent's exposure to the subsidiary; the balance seems to have been utilised to meet project-level equity (~₹0.5bn infused during Q2).
- SPV level debt was up ~₹2.2bn q/q to ~₹52.7bn, on the draw-downs for the under-construction hybrid annuity projects. We expect this to rise further given that the hybrid annuity projects would require draw-downs.
- As the SPV draw-downs exceeded the reduction in standalone debt, and as NCDs at the BOT HoldCo level were raised, consolidated gross debt was up ~₹2.5bn q/q to ~₹58.8bn.
- With a significant execution ramp-up targeted for H2 (to deliver on guidance), year-end standalone debt is targeted at ~₹6bn (up ~₹1.4bn for H2). Management sees its internal accruals and pending mobilisation advances from hybrid annuity projects to suffice to cover a part of the working capital, capex and equity required.
- Power T&D had healthy recoveries in H1. Resultantly, receivables for the segment were down ~₹1.2bn, from ~₹7.5 on 31st Mar'19 to ~₹6.3bn by end-Q2. Over the same period, orders of ~₹2bn have been executed.

Equity infusion

- During the quarter, the company infused ~₹0.5bn equity in hybrid annuities. This takes the total equity infused in the under-construction hybrid annuities to ~₹5bn.
- Ahead, it plans to infuse ~₹4bn in the next two to two-and-a-half years.
  - **H2 FY20:** It expects to infuse ~₹1.6bn in hybrid annuities, comprising ~₹0.2bn for the two old projects and ~₹1.4bn for the six new projects.
  - **FY21:** Equity funding required for FY21 is expected at ~₹2.2bn, with Tumkur-Shivamogga-IV expected to get the lion's share of the equity due to be invested in FY21.
  - **FY22:** For the existing portfolio of hybrid annuities, FY22 would need the company to invest ~₹0.2bn.
- In CGD, Ashoka infused ~₹0.16bn during the quarter to take its cumulative investment to ~₹0.51bn. In accordance with the shareholding, the partner has committed ~₹0.5bn. Ahead, the JV intends to utilise debt to fund the project; thus, no equity needs in the next six months are anticipated.

- Management said it plans to infuse the equity from internal accruals to a great extent, but could also look at other means.

Other highlights

- **SBI-Macquarie exit / Asset monetisation.** With original timelines already done with (Aug'19), monetisation efforts have gathered steam. With a banker already appointed, management expects to have something in place in the next 6-8 months.
- **Fund and non-fund limits; ample headroom.** Of the total fund-based working-capital limits of ~₹5bn (incl. supply chain finance), the limits utilised are ~₹2bn. On the non-fund-based side, the company has limits of ~₹40bn, which are used in the regular course of business.

Earnings revision and Valuation

To factor in the stronger-than-expected H1 margin, shift to the newer tax regime and lower debt, our estimates are stepped up. Consequently, we raise our FY20e earnings a steep ~64% (and ~33% for FY21), due to the low base (from SPV losses).

Our sum-of-parts-based target price of ₹185 has been derived using a 12x PE multiple for FY21e construction earnings (₹130 a share; adjusted for interest income from Ashoka Concessions), a discounted-cash-flow-driven valuation for the road-asset portfolio (₹53) and book value for investments in the CGD.

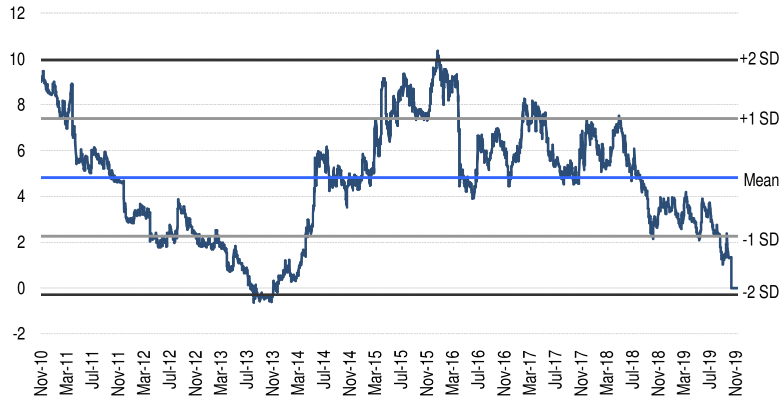
Fig 14 – Estimates revision

(₹ m)	Old Estimates		Revised Estimates		Change (%)	
	FY20e	FY21e	FY20e	FY21e	FY20e	FY21e
Revenue	56,564	62,353	56,592	62,382	*0.1*	*0.0*
EBITDA	15,598	16,180	15,807	16,357	*1.3*	*1.1*
EPS (₹)	3.1	6.3	5.1	8.3	*64.1*	*33.3*

Source: Anand Rathi Research

At the ruling price, (excl. investments) the stock trades at PERs of 7x FY20e and 6x FY21e construction EPS. On EV/EBITDA basis, the stock (excl. investment) is trading at 4.5x FY21e construction EBITDA.

Fig 12 – EV / EBITDA band



Source: Bloomberg, Anand Rathi Research

Risks

- Slower-than-expected pace of project execution.
- Lower-than-anticipated toll-fee growth.

Appendix

Analyst Certification

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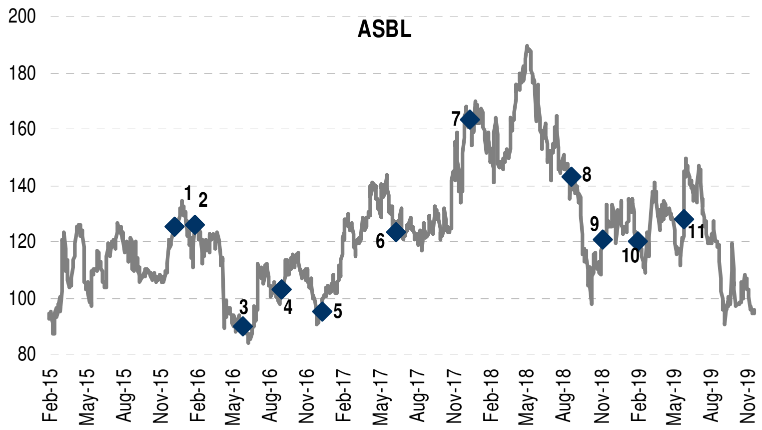
Rating and Target Price History (as of 18 November 2019)



	Date	Rating	TP (₹)	Share Price (₹)
1	07-Dec-15	Buy	228	189
2	25-Jan-16	Buy	229	193
3	23-May-16	Buy	227	136
4	30-Aug-16	Buy	219	156
5	05-Dec-16	Buy	208	144
6	08-Jun-17	Buy	237	186
7	11-Dec-17	Buy	287	242
8	18-Aug-18	Buy	199	143
9	05-Nov-18	Buy	194	121
10	31-Jan-19	Buy	188	120
11	25-May-19	Buy	180	128

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Ratings Guide (12 months)

	Buy	Hold	Sell
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