

## 4 October 2016

**CMP:** Rs. 18.55

**Industry:** Construction- Real Estate

**BSE group:** XD

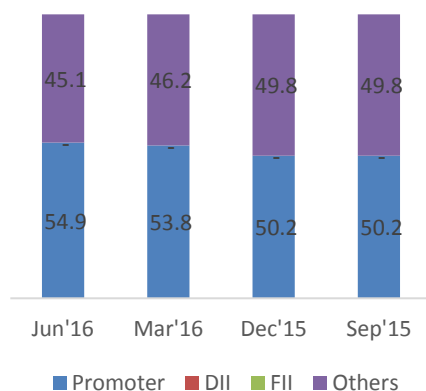
### Promoters

Kishan Kedia, Sanjey Kedia, and Arun Kedia

### Key Data

BSE	526727
ISIN	INE797D01017
Face Value (Rs.)	10.00
Mkt Cap (Rs. mn)	257.9
Current P/E	11.2
Current P/BV	0.4
52 week high-low	22.8-10.25
30 days avg daily trading volume (shares)	3,127
Equity capital (Rs mn)	139.0
Net worth (Rs mn)	673.0

### Shareholding Pattern (%)



[Click here for: Initiation Report](#)

[Write to us at: equity.research@outlook.com](mailto:equity.research@outlook.com)

### Company business

Garnet Construction Ltd. is a real estate property developer having developed more than 600 acres of land for diverse projects including industrial, commercial and residential projects. The Company provides real estate related services as well includes residential, industrial, commercial open plots, bungalows at Khopoli and Lonavala. The Company is also developing commercial complex in Mumbai.

### Financials

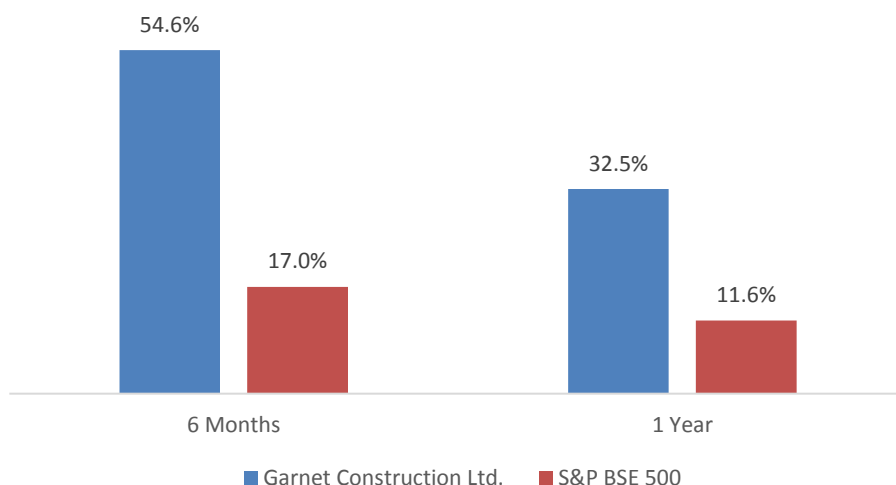
Particulars (Rs. mn)	Jun'16	Jun'15	% Change <sup>1</sup>	Mar'16	% Change <sup>2</sup>
Total income	30.9	72.6	-57.5%	251.6	-87.7%
Total expenditure	22.5	62.9	-64.3%	214.1	-89.5%
EBITDA	8.4	9.7	-13.1%	37.5	-77.6%
EBITDA margin (%)	27.2%	13.3%		14.9%	
PBT	3.3	1.4	132.2%	28.3	-88.3%
PAT (after extraordinary items)	2.8	1.4	97.2%	21.5	-86.9%
PAT margin (%)	9.1%	2.0%		8.6%	
EPS (Rs.)	0.2	0.1	100.0%	1.6	-87.1%

<sup>1</sup> compared to corresponding quarter in the previous year      **Source: ACE Equity, Company**  
<sup>2</sup> sequential comparisons

### Financial Performance

The company's income has fallen by ~58% while net profits have risen by ~97% over the corresponding quarter last year. The company's EBITDA margin has improved from 13.3% last year to 27.2% this year, while PAT margin has increased from 2.0% to 9.1% for quarter ending June 2016.

### Share Price Performance



## Financials

<b>P&amp;L (Rs. mn)</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Total income	101.7	287.3	466.6
EBITDA	61.5	60.9	61.9
EBITDA margin (%)	60.4%	21.2%	13.3%
Depreciation	4.1	9.5	8.6
EBIT	57.4	51.4	53.3
Interest	25.7	26.2	24.3
PBT (before exceptional items)	31.7	25.2	29.0
Exceptional items	-	-	-
PAT	22.9	6.6	21.7
PAT margin (%)	22.5%	2.3%	4.7%
Dividend	-	-	-
Dividend payout (%)	0.0%	0.0%	0.0%
<b>Cash Flow (Rs.mn)</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
PBT (after exceptional items)	31.7	25.2	29.0
CF from operations	75.8	(180.3)	145.3
CF from investing	30.5	1.1	2.5
CF from financing	(116.7)	192.6	(164.8)
Inc/(dec) in cash	(10.4)	13.3	(17.1)
<b>Closing Balance</b>	<b>9.8</b>	<b>23.1</b>	<b>6.1</b>

<b>Balance Sheet (Rs. mn)</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Equity Share Capital	139.0	139.0	139.0
Preference Share Capital	-	-	-
Share Warrants	-	-	-
Reserves & Surplus	503.5	509.5	531.2
<b>Net worth</b>	<b>642.5</b>	<b>648.5</b>	<b>670.2</b>
Borrowings	341.4	560.0	-
Current Liabilities & Provisions	1,078.2	914.5	1,093.3
<b>Total liabilities</b>	<b>2,062.0</b>	<b>2,123.0</b>	<b>1,763.5</b>
Net fixed assets	86.0	76.5	67.1
Capital WIP	-	-	-
Investments	52.2	48.9	47.2
Inventories	1,188.1	1,222.3	1,005.7
Sundry Debtors	413.7	488.1	435.8
Cash & Bank	9.8	23.1	6.1
Other Current Assets	15.0	8.3	3.0
Loans and Advances	300.3	267.0	211.1
Miscellaneous Expenses not w/off	-	-	-
Deferred Tax Assets/(Liabilities)	(3.1)	(11.1)	(12.5)
<b>Total assets</b>	<b>2,062.0</b>	<b>2,123.0</b>	<b>1,763.5</b>

## Disclaimer

The information contained herein is from publicly available data or other sources believed to be reliable, but we do not represent that it is accurate or complete and it should not be relied on as such. Our company shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. This document is provided for assistance only and is not intended to be and must not alone be taken as the basis for any investment decision. The user assumes the entire risk of any use made of this information. Each recipient of this document should make such investigation as it deems necessary to arrive at an independent evaluation which may affect their investment in the securities of companies referred to in this document (including the merits and risks involved). The discussions or views expressed may not be suitable for all investors. This information is strictly confidential and is being furnished to you solely for your information.