4 October 2016

CMP: Rs. 18.55
Industry: Construction- Real Estate
BSE group: XD

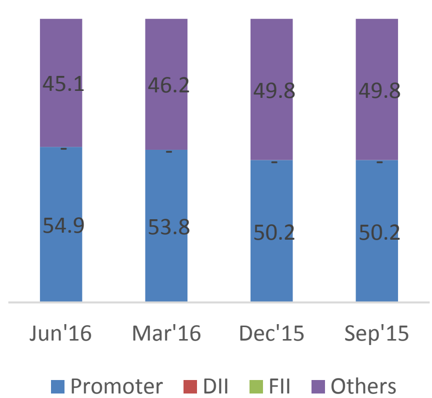
Promoters

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 (%)



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Initiation Report

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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

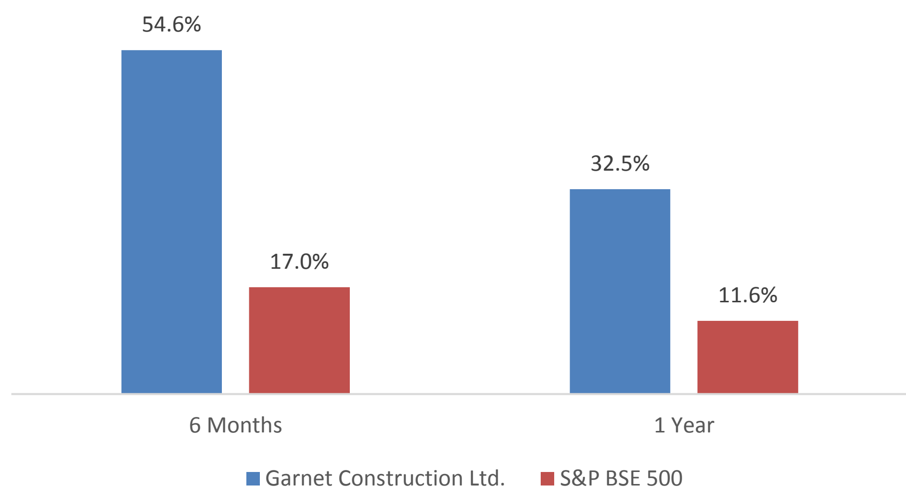
Particulars (Rs. mn)	Jun'16	Jun'15	% Change[1]	Mar'16	% Change[2]
Total income	30.9	72.6	-57.5%	251.6	-87.7%
Total expenditure	22.5	62.9	-64.3%	214.1	-89.5%
EBITDA	8.4	9.7	-13.1%	37.5	-77.6%
EBITDA margin (%)	27.2%	13.3%		14.9%	
PBT	3.3	1.4	132.2%	28.3	-88.3%
PAT (after extraordinary items)	'2.8	1.4	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%

[1] compared to corresponding quarter in the previous year **Source: ACE Equity, Company**
[2] 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

P&L (Rs. mn)	2014	2015	2016
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%

Cash Flow (Rs.mn)	2014	2015	2016
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)
Closing Balance	**9.8**	**23.1**	**6.1**

Balance Sheet (Rs. mn)	2014	2015	2016
Equity Share Capital	139.0	139.0	139.0
Preference Share Capital	-	-	-
Share Warrants	-	-	-
Reserves & Surplus	503.5	509.5	531.2
Net worth	**642.5**	**648.5**	**670.2**
Borrowings	341.4	560.0	-
Current Liabilities & Provisions	1,078.2	914.5	1,093.3
Total liabilities	**2,062.0**	**2,123.0**	**1,763.5**
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)
Total assets	**2,062.0**	**2,123.0**	**1,763.5**