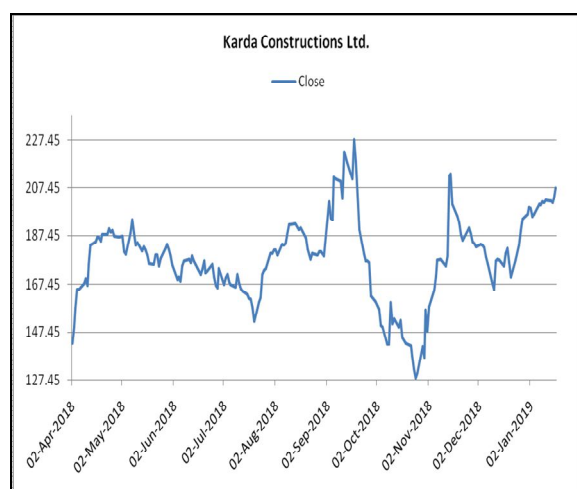


Karda Constructions Ltd.	
INDUSTRY	Construction - Real Estate
No. of Shares (Crore)	1.23
Face value (Rs)	10.00
Mkt. Cap (Rs. Crore)	255.29
Price (17/01/2019)	207.55
Book Value (Rs)	71.72
P/BV	2.89
BSE Code	541161
NSE Code	KARDA
Bloomberg	KARDA IN
Reuters	KARD.BO
Avg. Monthly Volume	1,35,454
52 W H/L (Rs)	236.00 / 124.35
<b>Shareholding Pattern</b>	
<b>%</b>	
Indian Promoters	65.04
Foreign Promoters	0.00
DII's	1.12
Body Corporate	4.22
Non-Institutions	29.62
Total	100
<b>(As on December 31, 2018)</b>	



## Company Background

Karda Construction Ltd. (KARDA), incorporated in 2007 is a real estate company from Nasik which develops and sells residential and residential-cum-commercial projects. Its a part of the Karda Group, founded by promoter Mr. Naresh Karda in year 1994. The company primarily focuses in the residential real estate which forms major chunk of their portfolio which is almost more than 95%. KARDA is almost present across all segments that is affordable, comfortable, luxury and some commercial areas also, giving a wide range of real estate to offer to the customers. It also undertakes construction contracts.

## Highlights

- KARDA has a strong presence in Nasik region and its projects covers 70% of the area. Nasik is witnessing increasing interest with its emergence as a hub for the industrial, agricultural and service sectors. Infrastructure development in the area along with affordability of real estate and strong potential for the city's property market in terms of both investment and end-use demand is geared for rapid growth going forward given its proximity to major cities like Mumbai and Pune and the current saturation of the realty markets in both these cities.
- It has an established brand and all its projects start with the word 'Hari' which has helped the Hari brand gain in terms of popularity and recall factor. It has a reputation and a track record of developing innovative projects through emphasis on contemporary architecture, strong project execution and quality construction in the real estate industry.
- KARDA's large land reserves includes approx 4 lakh sq. ft. of estimated Developable Land Area in and around Nasik along with its strategy of acquiring land in areas with potential for future growth.
- As of Q2FY19, KARDA has total 13 ongoing projects at various stages and 3 planned projects with a total carpet area of these projects is about 16,81,330 square feet.
- For the period of FY13-18, its topline and bottomline grew at a CAGR of ~25% and ~37% respectively. KARDA's net sales & PAT in Q2FY19 fell to ~42% & ~55% to ~Rs. 17 & ~Rs. 2 crore from Rs. 29 crore & ~Rs. 4, QoQ. The drop in the revenue from real estate operation is because it depends on the number of possessions in the quarter which further depends on number of projects completed in recent past.
- The revenue from contracting segment in Q2FY19 has improved to Rs. 6 crore from Rs. 3 crore in last quarter. Company tied up sales for 135 units in the September quarter with tie up value of about Rs. 38 crore as compared to 75 units of Rs. 21.8 crore in Q1FY19. Average realization per square feet is Rs. 3,500 to Rs. 4,000 in Nasik region which varies from location to location.
- KARDA will be launching 2 more projects in third quarter of FY19 and expect to launch 2 more in Q4FY19. KARDA is looking for expansion and growth to supplement its real estate activities by getting into Government and private contracts.
- KARDA's, two and half decades of experience, strong presence in Nasik region, established brand and reputation, its proven execution capabilities, strong project pipeline, vast land reserves and an ability to identify new products are amongst its key strengths which could enhance their visibility among the customers and market.
- Further, the government is backing the sector with several initiatives like Pradhan Mantri Awas Yojana along with 80-1B(10) Income Tax free Scheme is benefitting the company.

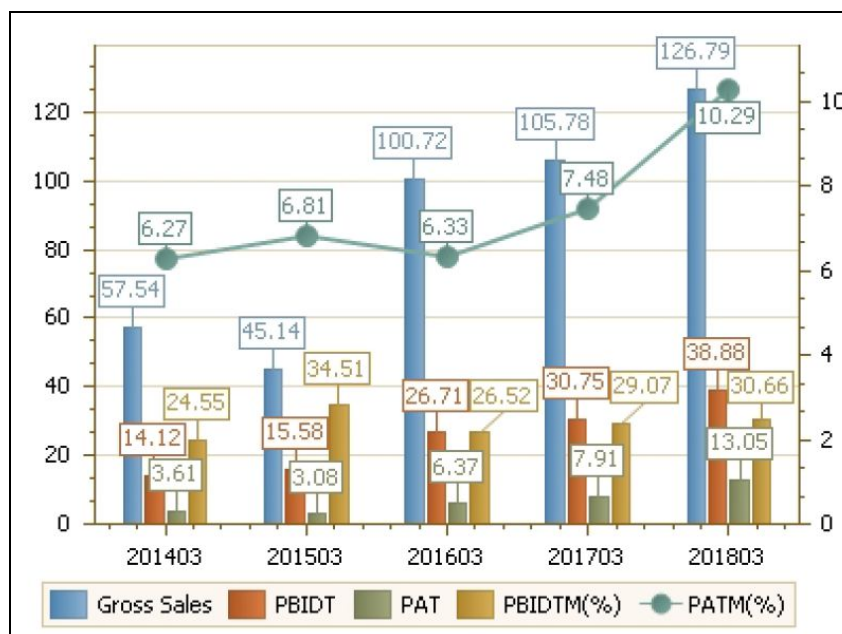
Particulars (Rs. Crs)	Q2FY19	Q1FY19	QoQ (Var%)	FY18	FY17	Var%	FY16	FY15
Net Sales	16.98	29.19	-41.83	126.79	105.78	19.86	100.72	45.14
PBIDT	6.76	9.56	-29.29	38.88	30.75	26.43	26.71	15.58
Profit After Tax	1.91	4.23	-54.85	13.05	7.91	65.02	6.37	3.08
PBIDTM %	39.83	32.75	21.62	30.66	29.07	5.48	26.52	34.51
PATM %	11.26	14.49	-22.29	10.29	7.48	37.67	6.33	6.81
EPS (Rs.)	1.55	3.43	-54.81	10.61	8.79	20.75	12.75	61.51

Numbers are Standalone

Source: Company, Ace Equity, AUM Research

## Financials

### Gross Sales, PBIDT & PAT Yearly Trend



Standalone Income Statement (Value in Rs. Crs)						
Description	FY13	FY14	FY15	FY16	FY17	FY18
Net Sales	42.25	57.54	45.14	100.72	105.78	126.79
Total Expenditure	35.29	44.95	30.96	79.22	79.09	95.67
PBIDT (Excl OI)	6.96	12.59	14.18	21.49	26.69	31.12
Other Income	1.04	1.54	1.39	5.22	4.06	7.76
Operating Profit	7.99	14.12	15.58	26.71	30.75	38.88
Interest	4.11	8.69	10.92	17.13	18.27	19.71
PBDT	3.88	5.43	4.65	9.58	12.48	19.17
Depreciation	0.02	0.08	0.21	0.22	0.27	0.30
PBT	3.87	5.36	4.45	9.36	12.21	18.87
Tax	1.14	1.74	1.35	2.96	4.30	5.81
Profit After Tax	2.70	3.61	3.08	6.37	7.91	13.05
EPS (Rs.)	180.26	72.11	61.51	12.75	8.79	10.61
Key Ratios						
Description	FY13	FY14	FY15	FY16	FY17	FY18
ROA (%)	1.67	2.07	1.47	2.64	3.18	4.77
ROE (%)	43.05	37.01	20.88	32.85	29.90	22.96
ROCE (%)	16.85	23.72	18.19	21.77	19.59	20.54
Total Debt/Equity(x)	5.08	4.39	5.00	5.46	4.45	1.52
Current Ratio(x)	5.09	4.45	6.88	3.43	2.90	2.07
Quick Ratio(x)	0.76	0.55	0.88	0.63	0.74	1.02
Interest Cover(x)	1.93	1.62	1.41	1.54	1.67	1.96

Source: Company, Ace Equity, AUM Research

Standalone Balance Sheet (Value in Rs. Crs)						
Description	FY13	FY14	FY15	FY16	FY17	FY18
<b>EQUITY AND LIABILITIES</b>						
Share Capital	1.50	5.00	5.00	5.00	9.00	12.30
Share Warrants & Outstandings	9.00	0.00	0.00	0.00	0.00	0.00
Total Reserves	4.78	8.20	11.26	17.55	21.35	71.07
<b>Shareholder's Funds</b>	<b>15.28</b>	<b>13.20</b>	<b>16.26</b>	<b>22.55</b>	<b>30.35</b>	<b>83.37</b>
<b>Long-Term Borrowings</b>						
Secured Loans	12.39	28.28	61.28	74.12	79.59	66.96
Deferred Tax Assets / Liabilities	0.03	0.07	0.06	0.06	0.06	0.04
Other Long Term Liabilities	104.49	105.39	124.80	85.80	58.36	13.45
Long Term Provisions	0.04	0.06	0.08	0.10	0.13	0.17
<b>Total Non-Current Liabilities</b>	<b>116.95</b>	<b>133.80</b>	<b>186.22</b>	<b>160.08</b>	<b>138.45</b>	<b>80.62</b>
<b>Current Liabilities</b>						
Trade Payables	8.98	7.25	8.15	9.32	6.33	14.55
Other Current Liabilities	16.20	24.86	17.97	27.32	32.31	79.64
Short Term Borrowings	3.90	5.33	3.10	27.45	36.26	34.99
Short Term Provisions	1.08	1.68	1.34	2.90	4.41	6.34
<b>Total Current Liabilities</b>	<b>30.15</b>	<b>39.12</b>	<b>30.57</b>	<b>66.98</b>	<b>79.31</b>	<b>135.52</b>
<b>Total Liabilities</b>	<b>162.39</b>	<b>186.12</b>	<b>233.05</b>	<b>249.61</b>	<b>248.11</b>	<b>299.51</b>
<b>ASSETS</b>						
<b>Non-Current Assets</b>						
Gross Block	1.67	2.05	2.09	2.30	2.76	2.85
Less: Accumulated Depreciation	0.01	0.09	0.29	0.51	0.78	1.08
Net Block	1.66	1.97	1.80	1.79	1.98	1.77
Non Current Investments	1.85	1.87	10.71	6.42	1.62	1.50
Long Term Loans & Advances	5.41	8.04	10.24	11.49	14.43	16.34
Other Non Current Assets	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Non-Current Assets</b>	<b>8.91</b>	<b>11.88</b>	<b>22.74</b>	<b>19.71</b>	<b>18.02</b>	<b>19.61</b>
<b>Current Assets Loans &amp; Advances</b>						
Currents Investments	0.00	0.00	0.00	0.00	18.20	2.03
Inventories	130.58	152.87	183.28	188.03	171.08	141.12
Sundry Debtors	0.67	0.55	0.30	0.22	0.76	1.67
Cash and Bank	4.46	3.20	7.17	1.13	2.21	91.91
Other Current Assets	0.51	11.96	3.33	4.25	0.90	1.66
Short Term Loans and Advances	17.26	5.66	16.22	36.27	36.94	41.51
<b>Total Current Assets</b>	<b>153.48</b>	<b>174.24</b>	<b>210.30</b>	<b>229.91</b>	<b>230.09</b>	<b>279.89</b>
Net Current Assets (Including Current Investments)	123.32	135.12	179.74	162.93	150.78	144.37
Total Current Assets Excluding Current Investments	153.48	174.24	210.30	229.91	211.89	277.86
<b>Total Assets</b>	<b>162.39</b>	<b>186.12</b>	<b>233.05</b>	<b>249.61</b>	<b>248.11</b>	<b>299.51</b>

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