

2020

ANNUAL
REPORT
KARDA
CONSTRUCTIONS
LIMITED



KARDATM
CONSTRUCTIONS

BUILDERS & DEVELOPERS

KARDA CONSTRUCTIONS LIMITED



ACTUAL SITE IMAGE

Karda Constructions Limited

A Fast Moving Realty Company- FMRC

Commemorating its 13th year of self-reliance and excellence, KARDA has established itself as the most admired and trusted real estate brand in the Nashik city. A journey that began in 2007 revolving round the work philosophy of 'Passion at Work', has whetted its desire to do much more with responsibility. We are guided by five core values - Quality, Passion, Reliability, Transparency, and Integrity which works as our moral compass

KARDA's focus has been on quality, timely delivery, customer centricity, transparency, robust engineering, and uncompromising business ethics. Today, KARDA has presence spread in all over the city in residential and commercial segment, including a strong contractual portfolio. Karda caters to all residential segments, i.e. low, medium and premium.

KARDA's unique and highly-efficient self – reliant model is the key USP of the brand.





ANNUAL REPORT 2019-2020
IMAGE

Karda Real Estate

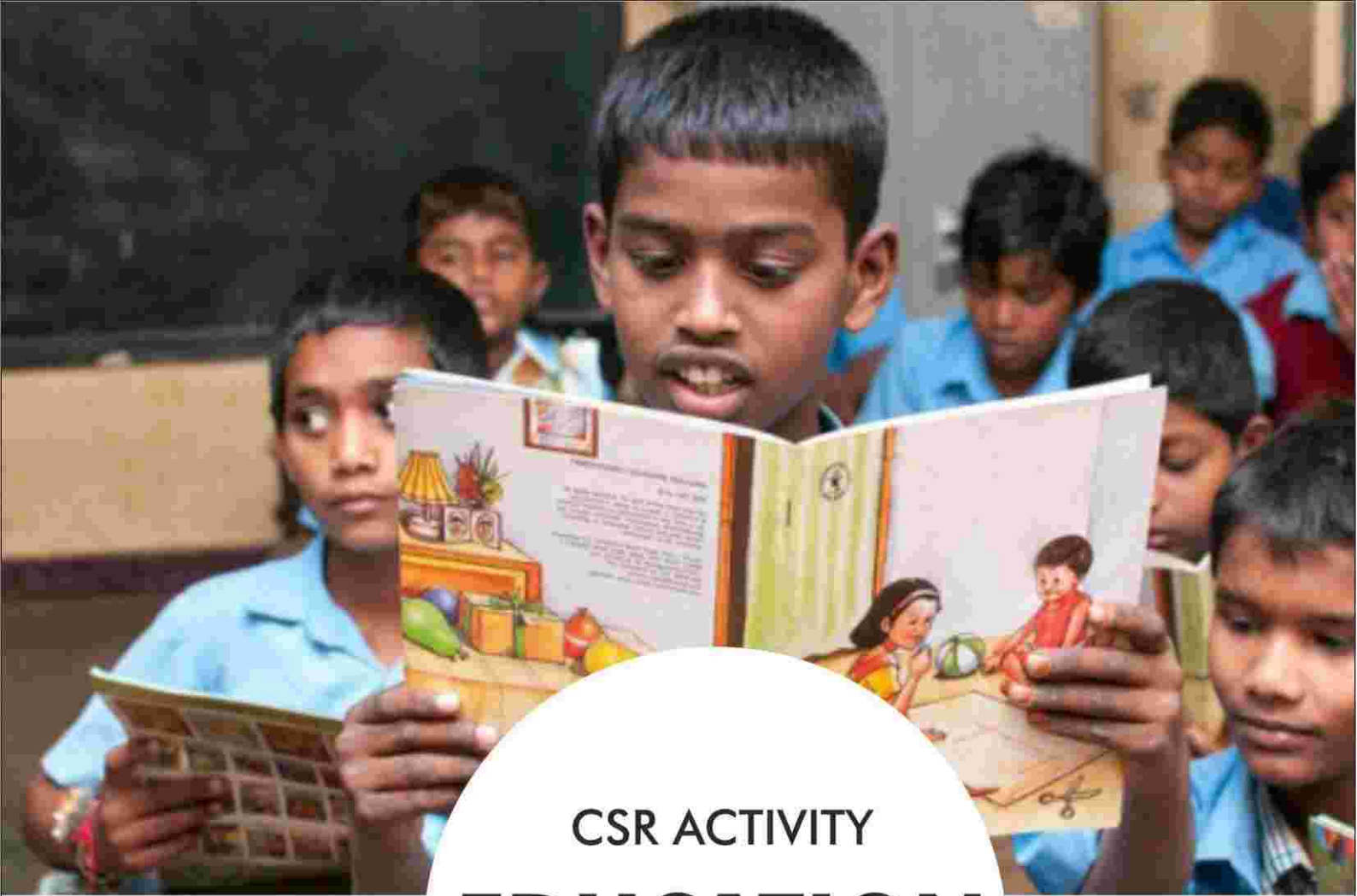
KARDA's residential projects include presidential apartments, villas, row houses, luxury and super luxury apartments, plotted development and aspirational CAPSULE homes. As of 31st March 2020, KARDA has overall completed 1.08 million square feet of area. The company currently has ongoing real estate projects aggregating to 1.99 million square feet of developable area. At KARDA, we believe and focus on quality and timely delivery of projects. All the products from the house of KARDA carry our promise of quality and world-class amenities. Along with this, our projects reflect our commitment towards protecting the environment by incorporating sustainability measures such as rainwater harvesting, sewage treatment plant among others. We make great efforts by bringing together highly passionate people, processes and technology for continuous improvement. we create masterpieces that customers can live, work and play in comfort and harmony.

Karda Contractual Work Contracts

KARDA expanded its business with a new vertical called Contractual Work Contracts in 2016. It is Strategic business de-risking by leveraging construction expertise. We are PWD licensed contractor.

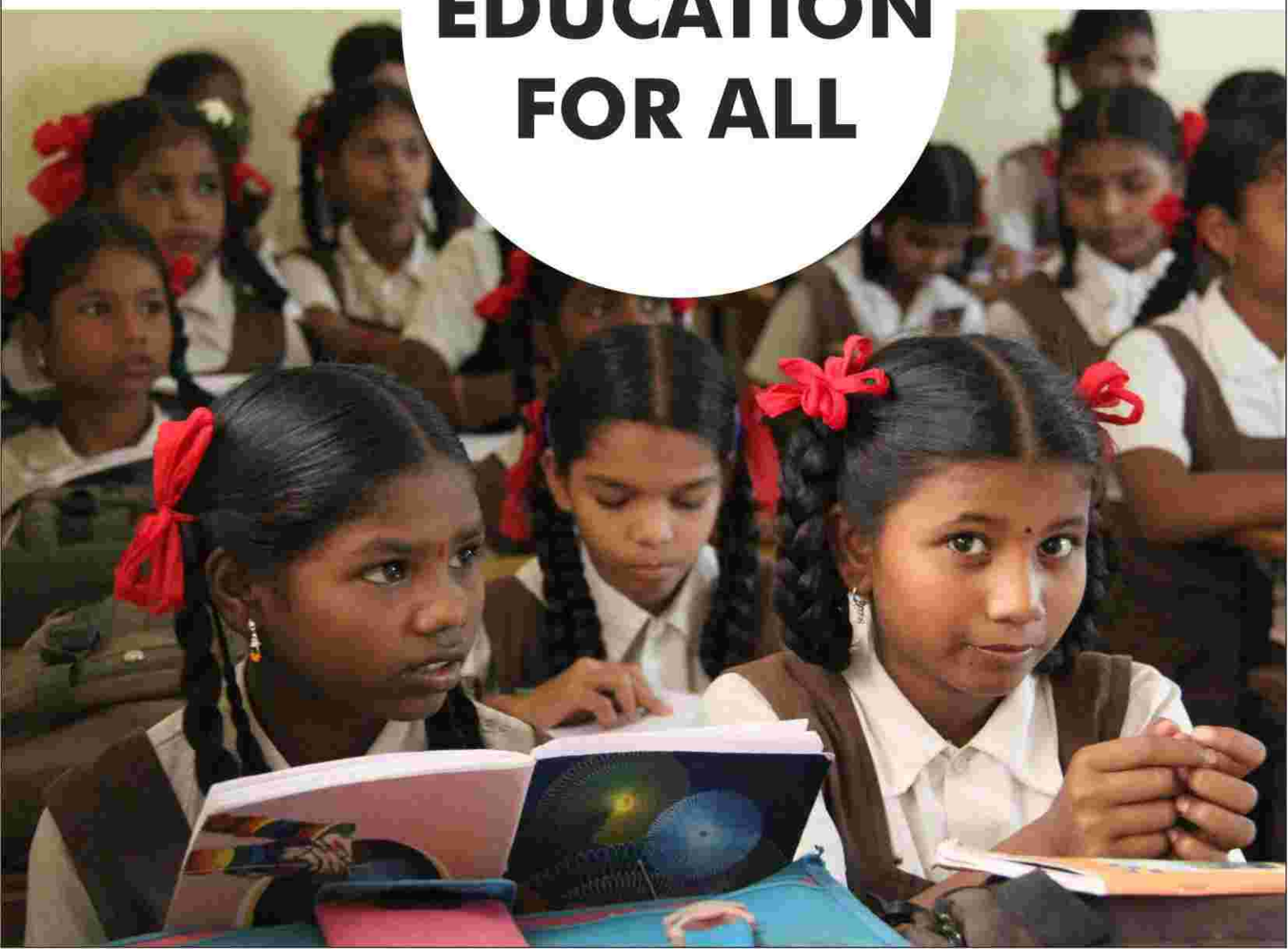
As entering a new market segment has offered the opportunity for exponential growth. With such diversification growth in business operation is expected. As on March 31st 2020, we have 12 work orders worth 1835 Million in hand. These work orders are awarded by Maharashtra and Goa Government and public limited company.





CSR ACTIVITY

EDUCATION FOR ALL





Karda Constructions Limited under the leadership of Mr. Naresh Karda & Executive Directors is proudly associated as a stake holder and a PIA (Project Implementing Agency) with Government of India's " DDU-GKY programme. Having received 2 projects Nashik, Maharashtra for Training and Placement of Rural Youth. The 1st project sanctioned in 2017 for 825 Youth and 2nd Project sanctioned in 2020 for 1500 Youth. Training and placement is provided in courses like security, Hotel Management, Nursing Assistant, Child Care worker, Non Voice Data entry operator, Retail Sales associate. We have trained and placed more than 750 Rural Youth in Big Bazaar, Mac. Donald's, Burger King, Karda Constructions, Infiloom, Oyster Electronics, G4S Security, Express Inn Hotels, TCSs, Crompton, Shakti Security, Hari Om Manpower, Suma Soft Technologies, Quality Inn Hotels, Emerald Park Hotels, Suma Adventure resorts, Soma Vineyards, Sula Wines, etc to name a few.

DDU-GKY is uniquely focused on rural unemployed youth between the age of 18 to 35. It plays an extremely crucial role in supporting the social and economic programs of the Government of India.



The Karda Skilling DDU-GKY campus is located at Adgaon, Nashik and is spread over 3 acres and can simultaneously train and provide boarding, lodging and Meal facilities to 250 students at the same time. Students are trained in Computers, Basic English, Soft skills along with the chosen Domain course. We provide 4 months residential courses which are certified by the SSC (Sectors Skill Council) and NCVT accreditation (National Council of Vocational Training) under the Ministry of Skills and Ministry of Rural Development.

During the residential training programme students are provided with Tablet Computers with training content and online manuals, state of art Domain Labs and a CCTV secured campus. Parents and guardians are encouraged to visit the campus and encourage the students. We closely work with Self-help groups and Community resource personnel to mobilise the candidates for districts at – Nashik, Ahemadnagar, Aurangabad, Jalgaon, Dhule, Nandurbar, Palghar and Thane regions.

The project as per Government directions carries a reservation for 33% women candidates and 3 % Physically Challenged candidates.



Company by making donations is involved in the activity of supporting schools in Trimbakeshwar area of Nashik . Ekal Vidyalaya is one of the schools.

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COMPANY INFORMATION

DIRECTORS

Mr. Naresh Jagumal Karda
Chairman and Managing Director

Mr. Manohar Jagumal Karda
Wholetime Director

Mrs. Disha Naresh Karda
Director

Mr. Rahul Kishor Dayama
Independent Director

Mrs. Shweta Raju Tolani
Independent Director

Mr. Sandeep Ravindra Shah
Independent Director

COMMITTEES OF THE BOARD AS ON 31ST MARCH, 2020

Audit Committee
Mr. Rahul Dayama (Chairman)
Mrs. Shweta Tolani (Member)
Mr. Naresh Karda (Member)

Stakeholders Relationship Committee
Mr. Rahul Dayama (Chairman)
Mrs. Shweta Tolani (Member)
Mrs. Disha Karda (Member)

Nomination, Remuneration and Governance Committee
Mrs. Shweta Tolani (Chairman)
Mr. Rahul Dayama (Member)
Mr. Sandeep Shah (Member)

Corporate Social Responsibility Committee

Mr. Rahul Dayama (Chairman)
Mr. Naresh Karda (Member)
Mrs. Disha Karda (Member)

COMPANY SECRETARY AND COMPLIANCE OFFICER

Mrs. Mayura Marathe

CHIEF FINANCIAL OFFICER

Mr. Liyakat Khan

STATUTORY AUDITORS

M/s. JPL & Associates
Chartered Accountants
251, A Wing, Ground floor, New J B Market,
Jalgaon-425 001

BANKERS

Tata Capital Housing Finance Limited
The Nashik Road Deolali Vyapari Sahakari Bank Ltd
Canara Bank
LIC Housing Finance Limited
State Bank of India
Axis Bank Limited

REGISTERED AND CORPORATE OFFICE

Karda Constructions Limited
2nd Floor, Gulmohar Status Above Business
Bank, Samarth Nagar, Nashik - 422005
Tel: 0253-2351090 Fax: 0253-2465436
www.kardaconstruction.com

REGISTRAR AND TRANSFER AGENT

Sharex Dynamic (India) Pvt. Ltd.
C-101, 247 Park, L.B.S. Marg, Vikhroli (West),
Mumbai - 400 083.
T: 2851 5606/ 5644
Web: <http://www.sharexindia.com>

AWARDS & RECOGNITIONS

Brands are built over years of perseverance and hard work. When these efforts are recognised and acknowledged, it reaffirms the quality of work we do and the trust of the stakeholders. KARDA has achieved this and much more through last decade with many awards. During the financial year 2019-20, KARDA has been bestowed with accolade.



ICONIC BUDGET HOME FOR CAPSULE HOMES

Company at the event 'Times Realty Icons Awards 2019 Navi Mumbai & Thane Beyond' hosted by the Times Realty, at Sofitel Mumbai, BKC on June 11, 2019, received an Award for the "iconic Budget Home for Capsule Homes."

THE MOST PREFERRED REAL ESTATE COMPANY

Company at the event "MY MAHARASHTRA AWARDS-2019" hosted by My FM, Nashik, at Sula Wine yard, Nashik on September 27, 2019, received an Award for the "The Most Preferred Real Estate Company", of Nashik.





MESSAGE FROM CHAIRMAN & MANAGING DIRECTOR

Naresh Karda

Chairman & Managing Director

Dear Shareholders

“Any weaknesses can be overcome with great dedication and devotion.”

Your company achieved many admirable wins and milestones through the FY 2020. But it was in the final days of the year that the true nature of its purpose-driven worldview truly shone through. Covid19 outbreak and its impact on economy have pushed sentiment in real estate to its all-time lowest level. Both residential and commercial real estate sectors are expected to be hit in term of launches, sales and prices.

The Indian real estate sector needs to exhibit immense resilience to overcome the current situation imposed by the novel coronavirus. The sector has been successful in overcoming many challenges in the past and has stood up in the most

turbulent times. Adaptive leadership at all organizational levels with a renewed focus on operational efficiency and cost reduction is today's need.

Your Company has managed to respond quickly to this pandemic with the concept of **“Capsule Homes”**. These homes are the budget homes which have been proven to be most appreciated by the customers. The company's Brand **HARI** along with Projects across affordable, mid-market and premium price segments has mitigated the risk.

During the year your company received an Award for the **“The Most Preferred Real Estate Company”**, of Nashik at "MY MAHARASHTRA AWARDS—2019" hosted by My FM, Nashik. Company's strong land bank, new project launches and timely delivery has

strengthened the trust of the customers.

I am happy to announce that your company has presence across 70% market area of the Nashik city with the Project size ranging from 1 BHK to 6 BHK, mixed use properties to villas, shops to malls.

Overall, KARDA has constructed and delivered area of 31.9 million square feet comprising approx. 4500 residential and commercial units till date. Company has 17 residential and commercial ongoing projects which would amount in delivering approx. 2000 units in next two years

During the financial year, Company has launched a new residential cum commercial project, named Hari Aangan-Residential, High Streets Shopping Mall Commercial, (RERA registration no: P51600024203), at Survey No 864, Plot No 2, Ashoka Marg, Nashik 422011 with total saleable area of 1, 88,244 Sq Ft.

In financial year 2019-20, we achieved a yearly total income of ₹1183.34 Million. Our Real Estate business generated a revenue of ₹1026.51 Million with our Contracts business revenue at ₹ 109.91 Million.

Your company prioritized the health and safety of its employees, kept customers' mission critical systems running under very difficult circumstances. Your company adapted the change and decided to use the power of technology. In the post pandemic world, technology will play an ever larger role in helping enterprises adapt to the new normal and differentiate themselves. Considering the same we are also investing heavily in technological interventions to provide a seamless experience to customers at all touch points. The Digital platform has been made available to the potential buyers, where they can book the home online. Employees of the company worked from home and assisted such buyers in making decisions.

Company has also entered into the field of Contractual Works Order to leverage its inherent lowest construction cost per Sq ft and scale up this division which has almost zero working capital requirements. Also Company during the year has entered into a joint venture for developing the total sealable area of approximately 3.69 Lakh Sq. Ft.

Your Company plans on closing more Joint venture projects deals in the near future enabling to fulfill its vision of being a debt free company in three years. As the joint venture model of development rewards higher return on capital employed and thus enabling the free cash flow.

Destination Kharadi Developers LLP, Pune awarded construction contract worth ₹ 65.20 Million for building 'Destination Kharadi' at Kharadi, Pune during the year. It takes immense pleasure to share that presently company has total contracts worth ₹ 1835.15 Million including the above mentioned contract. The contract orders are awarded by Government of Goa, Maharashtra Government and a Private Limited Company.

Out of our deep relationships with customers and partners, enviable scale, a diversified business mix your company would stand strong. It is well positioned to weather the storms ahead and take advantage of opportunities that come up during the downturn to acquire new capabilities and gain market share.

On behalf of the Board of Directors of Karda Constructions Limited, I would like to thank you for your continued trust, confidence, and support.

Thank you
With best wishes

Naresh Karda
Chairman & Managing Director

NOTICE TO SHAREHOLDERS

Notice is hereby given that the **13th** Annual General Meeting of the members of **KARDA CONSTRUCTIONS LIMITED** will be held on **Saturday, 26th September, 2020** at 12.30 p.m., Indian Standard Time ("IST"), through Video Conferencing/ Other Audio Visual Means ("VC/OAVM") Facility to transact following business:

Ordinary Businesses: -

1.To receive, consider and adopt the audited standalone financial statements of the Company for the Financial Year ended March 31, 2020, the report of the Board of Directors and Auditors thereon.

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Audited Balance Sheet as at 31st March 2020, Audited Profit and Loss Account for the period from 1st April 2019 up to 31st March 2020 and Reports of Auditors and Directors thereon be and are hereby considered and adopted."

2.To appoint a Director in place of Mr. Manohar Karda (DIN: 01808564), who retires by rotation and being eligible, offers himself for re-appointment.

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT the pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof), Mr. Manohar Karda (DIN: 01808564), who retires by rotation and being eligible offers himself for

reappointment, be and is hereby re-appointed as

a Director of the Company liable to retire by rotation."

Special Businesses: -

3.To ratify remuneration payable to the Cost Auditors, M/s. C Y & Associates for the Financial Year 2020-2021

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of Rs. 65,000/- (Rupees Sixty-Five Thousand only) plus applicable taxes and reimbursement of actual travelling and out of pocket expenses, to be paid M/s. C Y & Associates, (Firm Registration No.00334), Cost Auditors of the Company, for the Financial Year 2020-21 as approved by the Board of Directors of the Company, at its Meeting held on 29th June, 2020, be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT the Board of Directors of the Company or the Company Secretary be and are hereby authorised to do all, deeds and things which are necessary for the aforesaid appointment and to send the necessary intimation in prescribed form to Registrar of Companies."

4.To alter the Capital clause V of Memorandum of Association

"RESOLVED THAT pursuant to the provisions of Section 13(1) read with Section 61(1) (a) of the Companies Act, 2013 and Article 4 of the Articles of Association of the Company, the authorised share capital of the Company be increased from

Rs. 14,00,00,000/- (Rupees Fourteen Crore only) comprising of 7,00,00,000 (Seven Crore) Equity Shares of Rs. 2/- (Rupees Two only) each to Rs. 20,00,00,000/- (Rupees Twenty Crore only) comprising of 10,00,00,000 (Ten Crore) Equity Shares of Rs. 2/- (Rupees Two only) each.

RESOLVED FURTHER THAT the existing clause V of the Memorandum of Association of the Company as to share capital be and is hereby deleted and in its place and stead new clause V be substituted:

5th The Authorised share capital of the company is Rs. 20, 00, 00,000/- (Rupees Twenty Crore Only), divided into 10, 00, 00,000 (Ten Crore) Equity Shares of Rs. 2/- (Rupees Two Only) each.

RESOLVED FURTHER THAT the board of directors be and are hereby authorised to take the necessary steps and to do all such acts, deeds and things as may be necessary in this regard to give effect to this resolution.”

5. Offer, issue and allot equity of the company on preferential allotment basis to qualified institutional buyers by way of qualified institutional placement (QIP)

“**RESOLVED THAT** pursuant to the provisions of Section 62 (1) (c) read with Section 42 of the Companies Act, 2013, read with the Companies (Share Capital and Debentures) Rules, 2014 and any other applicable provisions of the Companies Act, 2013, Companies (Prospectus and Allotment of Securities) Rules, 2014 and such other rules as may be issued from time to time, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, Securities and Exchange Board of India Act, 1992 and the rules and regulations framed there under including the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“SEBI ICDR Regulations”)

(including any statutory amendments, modifications or re-enactments thereof for the time being in force), Foreign Exchange Management Act, 1999, as amended including the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended, and subject to any required approvals, consents, permissions and/or sanction of the Ministry of Finance (Department of Economic Affairs), the Ministry of Commerce & Industry (Foreign Investment Promotion Board / Secretariat for Industrial Assistance), the Securities and Exchange Board of India (the “SEBI”) and in accordance with the rules, regulations, guidelines, notifications, circulars and clarifications issued thereon from time to time by Government of India (the “GOI”), the Reserve Bank of India (the “RBI”), SEBI and/or any other competent authorities and in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company and the listing agreements entered into by the Company with the respective stock exchanges where the equity shares of the Company are listed and such other regulatory approvals / permissions as may be necessary including the approval, if any, of any other competent authorities and subject to such conditions and modifications as may be prescribed or imposed by any of them, while granting such approvals, consents, permissions and sanctions and which may be agreed to by the board of directors of the Company including any committee which the Board has constituted to exercise its powers including the power conferred by any resolution (the “Board”), the consent, authority and approval of the Company be and is hereby accorded to the Board to create, offer, issue and allot in India or in the course of international offering(s) in one or more foreign markets equity shares of the company with a face value of Rs. 2/- each (Rupees Two Only) each (“Equity shares”), American Depositary Receipts (ADR), Global Depositary Receipts (GDR), Foreign Currency Convertible Bonds (FCCB) and

/or other financial instruments convertible into or exercisable for Equity shares (including warrants, or otherwise, in registered or bearer form), fully convertible debentures, partly convertible debentures, non-convertible debentures with warrants and/ or any security convertible into Equity shares with or without voting / special rights and /or securities linked to Equity or any combination of securities, in one or more tranches whether rupee denominated or denominated in foreign currency, by way of public offer, and /or private offerings and / or on preferential allotment basis and / or qualified institutional placement or any combination thereof or by way of issue placement document and / or other permissible requisite offer document to any eligible person(s), including but not limited to qualified institutional buyers in accordance with Chapter VIII of SEBI ICDR Regulations as may be amended, or any other mode/method or means as may be prescribed by the concerned authorities from time to time, of Equity Shares, (hereinafter referred to as "Securities") to any person including but not limited to foreign/resident investors (whether institutions, incorporated bodies, mutual funds and/or individuals or otherwise) foreign institutional investors, foreign portfolio investors, Indian and/or multilateral financial institutions, mutual funds, non-resident Indians, (collectively referred to as ("Investors")) whether or not such Investors are existing members of the Company as may be decided by the Board at the appropriate time at such price or prices, at a discount (including but not limited to any discount as may be permitted under Chapter VIII of the SEBI ICDR Regulations) or premium to the market price or prices on each Equity Share and on such terms and conditions including security, rate of interest, etc., including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made to the exclusion of all other categories of Investors at the time of such issue offer and allotment considering the prevailing market conditions and other relevant factors

wherever necessary, as the Board may determine in its absolute discretion at the time of issue of the Securities in accordance with SEBI ICDR Regulations and where necessary in consultation with the book running lead managers appointed and/or to be appointed by the Company in relation to the QIP and such that the aggregate amount raised by issue of Equity Shares shall not exceed upto an amount of Rs. 175,00,00,000/- (Rupees One Hundred and Seventy-Five Crore) and on such terms and conditions as may be finalised by the Board and that the Board be and is hereby authorised to finalise all such terms and conditions and the matters incidental thereto as it may in its absolute discretion thinks fit in accordance with all applicable laws, rules and regulations for the time being in force in this regard (the "Issue").

RESOLVED FURTHER THAT if any issue of Securities is made by way of a Qualified Institutions Placement in terms of Chapter VIII of the SEBI ICDR Regulations (hereinafter referred to as "Eligible Securities" within the meaning of the SEBI ICDR Regulations), the allotment of the Eligible Securities, or any combination of Eligible Securities as may be decided by the Board shall be completed within twelve months from the date of this resolution or such other time as may be allowed under the SEBI ICDR Regulations from time to time at such price being not less than the price determined in accordance with the pricing formula provided under Chapter VIII of the SEBI ICDR Regulations as may be amended from time to time and the Eligible Securities shall not be eligible to be sold for a period of twelve months from the date of allotment, except on a recognized stock exchange, or except as may be permitted from time to time under the SEBI ICDR Regulations. The Company may, in accordance with applicable law, offer a discount of not more than 5% or such percentage as permitted under applicable law on the price calculated in accordance with the pricing formula provided

under the SEBI ICDR Regulations as may be amended from time to time.

RESOLVED FURTHER THAT in the event that Equity Shares are issued to Qualified Institutional Buyers under Chapter VIII of the SEBI ICDR Regulations, the relevant date for the purpose of pricing of the Equity Shares in the Issue shall be the date of the meeting in which the Board decides to open the proposed issue of Equity Shares under Chapter VIII of the SEBI ICDR Regulations.

RESOLVED FURTHER THAT the relevant date for the determination of applicable price for the issue of any other Securities, in terms of the preceding regulation shall be as per the regulations/guidelines prescribed by SEBI, Ministry of Finance, RBI, GOI through its various departments, or any other regulator and subject to and in compliance with the applicable rules and regulations.

RESOLVED FURTHER THAT the Equity Shares so issued by the Company pursuant to the QIP shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank pari-passu with the existing equity shares of the Company in all respects except that the Investors who are allotted Equity Shares in the Issue will be entitled to participate in dividends, if any, declared by the Company after the allotment of Equity Shares in the QIP offering in compliance with the Companies Act, 2013, the equity listing agreement and other applicable laws and regulations.

RESOLVED FURTHER THAT the equity shares shall be listed on the stock exchanges, where the existing equity shares of the Company are listed.

RESOLVED FURTHER THAT for the purpose of giving effect to the Issue, the Board or its appointed delegates/committees, are hereby authorised on behalf of the Company to do all such acts, deeds,

matters and things as they may, in their absolute discretion, deem necessary or desirable for such purpose, including without limitation, entering into of the placement, underwriting, escrow collection, marketing, and institutions/trustees/ agents and similar agreements, and to remunerate the managers, advisors, underwriters and such other authorities and agencies as may be required for the completion of the Issue, to finalize, settle, execute, issue and deliver or arrange the delivery of the relevant offer documents, agreements and any other deeds, documents and writings and to pay any fees, commissions, remuneration, expenses relating thereto and to settle all questions, difficulties or doubts that may arise in regard to such QIP, as they may, in their absolute discretion, deem fit in the best interest of the Company to give effect to the above resolutions.

RESOLVED FURTHER THAT for the purpose aforesaid, the Board be and is hereby authorised to settle all questions, difficulties, or doubts, that may arise in regard to the issue, offer and allotment of the Securities and utilization of the Issue proceeds as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by way of this resolution.”

Thanking You,

**BY THE ORDER OF THE BOARD OF DIRECTORS
FOR KARDA CONSTRUCTIONS LIMITED**

Sd/-

MAYURA MARATHE

COMPANY SECRETARY

MEMBERSHIP NO: ACS-44678

(Authorised to sign and serve vide Board Resolution dated 02.09.2020)

Date: September 2, 2020

Place: Nashik

Notes:

- The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") setting out material facts concerning the business under Item No. 3, 4 and 5 of the accompanying Notice, is annexed hereto. The Board of Directors of the Company at its meeting held on June 29, 2020 considered that the special business under Item Nos. 3, and the same to be transacted at the 13th AGM of the Company.

- **General instructions for accessing and participating in the 13th AGM through VC/OAVM Facility and voting through electronic means including remote e-Voting**

- In view of the outbreak of the COVID-19 pandemic, social distancing norm to be followed and the continuing restriction on movement of persons at several places in the country and pursuant to General Circular Nos.14/2020, 17/2020 and 20/2020 dated 8th April 2020, 13th April 2020 and 5th May 2020, respectively, issued by the Ministry of Corporate Affairs ("MCA Circulars") and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May 2020 issued by the Securities and Exchange Board of India ("SEBI Circular") and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 13th AGM of the Company is being conducted through VC/OAVM Facility, which does not require physical presence of members at a common venue. The deemed venue for the 13th AGM shall be the Registered Office of the Company.

In terms of the MCA Circulars since the physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Members under Section 105 of the Act will not be available for the 13th AGM. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the Members may be

appointed for the purpose of voting through remote e-Voting, for participation in the 13th AGM through VC/OAVM Facility and e-Voting during the 13th AGM.

- In line with the MCA Circulars and SEBI Circular, the Notice of the 13th AGM will be available on the website of the Company at www.kardaconstruction.com, on the website of BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and also on the website of Link Intime India Pvt Ltd at <https://instavote.linkintime.co.in>.
- Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed in this Notice.
- At the Eleventh General Meeting held on 29th September, 2018, the members appointed M/S JPL & Associates, Chartered Accountants (Firm Registration No.132748W), as Statutory Auditors of the Company to hold office for a period of 5 years from the conclusion of the Eleventh Annual General Meeting until the conclusion of the Sixteenth Annual General Meeting subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the twenty-seventh AGM.
- Link Intime India Private Limited will be providing facility for voting through remote e-Voting, for participation in the 13th AGM through VC/OAVM Facility and e-Voting during the 13th AGM.

- Members may join the 13th AGM through VC/OAVM Facility by following the procedure as mentioned below which shall be kept open for the Members from 12.15 p.m. IST i.e. 15 minutes before the time scheduled to start the 13th AGM and the Company may close the window for joining the VC/OAVM Facility 30 minutes after the scheduled time to start the 13th AGM.

- In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

The remote e-voting period will commence at 9.00 a.m. on Tuesday, 22nd September, 2020 and will end at 5.00 p.m. on Friday, 25th September, 2020. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 19th September, 2020, may cast their vote electronically. The e voting module shall be disabled by LIPL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

- The Register of Members and Share Transfer books will remain closed from Friday, September 19, 2020 to Saturday, September 26, 2020 (both days inclusive) the purpose of Annual General Meeting.
- Members may note that the VC/OAVM Facility allows participation of at least 1,000 Members on a first-come-first-served basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel,

the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors, etc. can attend the 13th AGM without any restriction on account of first-come first-served principle.

- Attendance of the Members participating in the 13th AGM through VC/OAVM Facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") and Regulation 44 of Listing Regulations read with MCA Circulars and SEBI Circular, the Company is providing remote e-Voting facility to its Members in respect of the business to be transacted at the 13th AGM and facility for those Members participating in the 13th AGM to cast vote through e-Voting system during the 13th AGM.

- Non-resident Indian shareholders are requested to inform about the following immediately to the Company or its Registrar and Share Transfer Agent or the concerned Depository Participant, as the case may be :-
 - a) the change in the residential status on return to India for permanent settlement, and
 - b) the particulars of the NRE account with a Bank in India, if not furnished earlier.

• **Instructions for Members for Remote e-Voting are as under:-**

1. Open the internet browser and launch the URL:
<https://instavote.linkintime.co.in>

Those who are first time users of LIPL e-voting platform or holding shares in physical mode have to mandatorily generate their own Password, as under:

- ▶ Click on “Sign Up” under ‘SHARE HOLDER’ tab and register with your following details:

A. User ID: Enter your User ID

- Shareholders/ members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID
- Shareholders/ members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
- Shareholders/ members holding shares in physical form shall provide Event No + Folio Number registered with the Company

B. PAN:

Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/Company shall use the sequence number provided to you, if applicable.

C. DOB/DOI:

Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

D. Bank Account Number:

Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

- Shareholders/ members holding shares in CDSL demat account shall provide either ‘C’ or ‘D’, above
- Shareholders/ members holding shares in NSDL demat account shall provide ‘D’, above
- Shareholders/ members holding shares in physical form but have not recorded ‘C’ and

‘D’, shall provide their Folio number in ‘D’ above

- ▶ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter).
- ▶ Click “confirm” (Your password is now generated).

NOTE: If Shareholders/ members are holding shares in demat form and have registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier event of any company then they can use their existing password to login.

2. Click on ‘Login’ under ‘SHARE HOLDER’ tab.
3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on ‘Submit’.
4. After successful login, you will be able to see the notification for e-voting. Select ‘View’ icon.
5. E-voting page will appear.
6. Refer the Resolution description and cast your vote by selecting your desired option ‘Favour / Against’ (If you wish to view the entire Resolution details, click on the ‘View Resolution’ file link).
7. After selecting the desired option i.e. Favour / Against, click on ‘Submit’. A confirmation box will be displayed. If you wish to confirm your vote, click on ‘Yes’, else to change your vote, click on ‘No’ and accordingly modify your vote.
8. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as ‘Custodian / Mutual Fund / Corporate Body’. They are also required to upload a scanned certified true copy of the board resolution / authority letter / power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the ‘Custodian / Mutual Fund Corporate Body’ login for the Scrutinizer to verify the same.

If you have forgotten the password:

- Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password?'
- Enter User ID, select Mode and Enter Image Verification (CAPTCHA) Code and Click on 'Submit'.
- In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.
- Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
- The password should contain minimum 8 characters, at least one special character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

Shareholders/ members holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.

In case shareholders/ members have any queries regarding e-voting, they may refer the Frequently Asked Questions ('FAQs') and InstaVote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or send an email to enotices@linkintime.co.in or contact on: - Tel: 022 -4918 6000.

Procedure for registering the e-mail IDs, in case of Members of the Bank who have not registered

their e-mail address

In light of the MCA Circulars, for remote E-voting, the shareholders whether holding equity shares in demat form or physical form and who have not submitted their email addresses and in consequence to whom the E-voting notice could not be serviced, may temporarily get their e-mail addresses registered with the Company's Registrar and Share Transfer Agent, Sharex Dynamic (India) Pvt Ltd, by clicking the link: https://linkintime.co.in/emailreg/email_register.html and follow the registration process as guided thereafter.

Post successful registration of the e-mail address, the shareholder would get a soft copy of this Notice and the procedure for e-voting along with the user-id and the password to enable e-voting for this meeting. In case of any queries, shareholder may write to the Company at kcpl.mayura@gmail.com or to Registrar and Transfer Agent at support@sharexindia.com

Process and manner for attending the Annual General Meeting through InstaMeet:

1. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>

Select the "**Company**" and '**Event Date**' and register with your following details: -

A. Demat Account No. or Folio No: Enter your 16 digit Demat Account No. or Folio No

- Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
- Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
- Shareholders/ members holding shares in **physical form shall provide Folio Number** registered with the Company

B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable).

C. Mobile No.: Enter your mobile number.

D. Email ID: Enter your email id, as recorded with your DP/Company.

► Click “Go to Meeting” (You are now registered for InstaMeet and your attendance is marked for the meeting).

Please refer the instructions (annexure) for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting. Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMEET website.

Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet:

1. Shareholders who would like to speak during the meeting must register their request 3 days in advance with the company on the kardaconstructionslimited@gmail.com created for the general meeting.
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
3. Shareholders will receive “speaking serial number” once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panellist by

switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting “Cast your vote”
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
3. After successful login, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.
4. Cast your vote by selecting appropriate option i.e. “Favour/Against” as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/Against’.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on “Save”. A confirmation box will be displayed. If you wish to confirm your vote, click on “Confirm”, else to change your vote, click on “Back” and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting.

Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175.

InstaMeet Support Desk

Link Intime India Private Limited

ANNEXURE - Guidelines to attend the AGM proceedings of Link Intime India Private Limited:

InstaMEET for a smooth experience of viewing the AGM proceedings of Link Intime India Private Limited. InstaMEET, shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instructions as under:

- a. Please download and install the Webex application by clicking on the link <https://www.webex.com/downloads.html/>

Or

- b. If you do not want to download and install the Webex application, you may join the meeting by following the process mentioned as under:

Step 1	Enter your First Name, Last Name and Email ID and click on Join Now.
1 (A)	If you have already installed the Webex application on your device, join the meeting by clicking on Join Now
1 (B)	If Webex application is not installed, a new page will appear giving you an option to either Add Webex to chrome or Run a temporary application. Click on Run a temporary application, an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on Join Now

Other Guidelines for Members

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
- The voting rights of Members shall be in proportion to their share in the paid up equity share capital of the Company as on the cutoff date of 19th September 2020.
- Any person, who acquires shares of the Company and becomes Member of the Company after the Company sends the Notice of the 13th AGM by email and holds shares as on the cut-off date i.e. 19th September 2020, may obtain the User ID and password by sending a request to the Company's email address admin@kardaconstruction.com.

- However, if you are already registered with Link Intime India Pvt Ltd for remote e-Voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password?” or “Physical User Reset Password?” option available on <https://instavote.linkintime.co.in>.
- A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting or casting vote through e-Voting system during the meeting.
- M/s Amar Patil & Associates, Practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the e- voting process in a fair and transparent manner.
- During the 13th AGM, the Chairman shall, after response to the questions raised by the Members in advance or as a speaker at the 13th AGM, formally propose to the Members participating through VC/OAVM Facility to vote on the resolutions as set out in the Notice of the 13th AGM and announce the start of the casting of vote through the e-Voting system. After the Members participating through VC/OAVM Facility, eligible and interested to cast votes, have cast the votes, the e-Voting will be closed with the formal announcement of closure of the 13th AGM.
- The Scrutinizer shall after the conclusion of e-Voting at the 13th AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-Voting and shall make a consolidated scrutinizer’s report of the total votes cast in favour or against, invalid votes, if any, and whether the resolution has been carried or not, and such Report shall then be sent to the Chairman or a person authorized by him, within 48 (forty eight) hours from the conclusion of the

13th AGM, who shall then countersign and declare the result of the voting forthwith.

The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at www.kardaconstruction.com and on the website of Link Intime India Pvt Ltd at <https://instavote.linkintime.co.in/> immediately after the declaration of Results by the Chairman or a person authorized by him. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

- Pursuant to the MCA Circulars and SEBI Circular, in view of the prevailing situation, owing to the difficulties involved in dispatching of physical copies of the Notice of the 13th AGM and the Annual Report for the year 2020 including therein the Audited Financial Statements for year 2020, are being sent only by email to the Members. Therefore, those Members, whose email address is not registered with the Company or with their respective Depository Participant/s, and who wish to receive the Notice of the 13th AGM and the Annual Report for the year 2020 and all other communication sent by the Company, from time to time, can get their email address registered by following the steps as given below:-
- For Members holding shares in physical form, please send scan copy of a signed request letter mentioning your folio number, complete address, email address to be registered along with scanned self-attested copy of the PAN and any document (such as Driving Licence, Passport, Bank Statement, AADHAR) supporting the registered address of the Member, by email to the Company’s email address admin@kardacosntruction.com.
- For the Members holding shares in demat form, please update your email address through your respective Depository Participant/s.
- The Notice of the 13th AGM and the Annual Report for the year 2020 including therein the

Audited Financial Statements for the year 2020, will be available on the website of the Company at www.kardaconstruction.com and the website of BSE Limited at www.bseindia.com. The Notice of 13th AGM will also be available on the website of Link Intime India Pvt Ltd at <https://instavote.linkintime.co.in/>.

To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.

- The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
- In terms of the Listing Regulations, securities of listed companies can only be transferred in dematerialized form with effect from 1st April 2019. In view of the above, Members are advised to dematerialize shares held by them in physical form.
- Electronic copy of all the documents referred to in the accompanying Notice of the 13th AGM and the Explanatory Statement shall be available for inspection in the Investor Section of the website of the Company at www.kardaconstrucion.in.
- During the 13th AGM, Members may access the scanned copy of Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act, upon Log-in to INSTAVOTE e-Voting system at <https://instavote.linkintime.co.in>.
- Details as required in sub-regulation (3) of Regulation 36 of the Listing Regulations and Secretarial Standard on General Meeting (SS-2) of ICSI, in respect of the Directors seeking appointment/ re-appointment at the 13th AGM, forms integral part of the Notice of the 13th AGM. Requisite declarations have been received from the Directors for seeking appointment/ re-appointment.

ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 and statement of additional Information as required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) with respect to following items of the Notice:

Item No. 3: -

Approve the remuneration of the cost auditors for the financial year 2020-21 & to consider and if thought fit, to pass, with or without modification(s), the following resolution as ordinary resolution

The Board, on the recommendation of the Audit Committee, has approved at their Meeting held on June 29, 2020 the appointed M/s C Y & Associates, Cost Accountants, Nashik (Firm Registration No. 00334), as Cost Auditors to conduct the audit of the cost records of the Company at a remuneration of Rs. 65,000/- (Rupees Sixty Five Thousand) plus out of pocket expenses and applicable taxes.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, as amended, the remuneration payable to the Cost Auditors is required to be ratified by the members of the Company. Accordingly, consent of the members is sought for passing an ordinary resolution as set out at Item No. 3 of the Notice.

This item of special business to be transacted at the Annual general meeting of the company does not relate to or affects any other company. Therefore, the extent of shareholding interest in other company/(s) of every promoter, director, manager, if any, and of every other key managerial personnel of the Company need not be set out in this statement and hence not given.

None of the directors or managers or key managerial persons or relatives of all of the aforesaid are concerned or interested, financially or otherwise in respect of this item of Agenda.

The document/(s) mentioned above is/are available for inspection at any time, during the business hours at the registered office of the company:

1. Certified true copy of resolution passed
2. Appointment letter of Cost auditor
3. Consent of Cost auditor and profile

The board commends passing the resolution, as an Ordinary Resolution, with or without modifications.

Item No. 4: -

To alter the Capital clause V of Memorandum of Association

With a view to augment long term capital for the business of the company, it is proposed to create, offer, issue and allot securities through preferential allotments, qualified institutions placement. The existing authorised capital of the company is ₹ 14,00,00,000/- (Rupees Fourteen Crore only) comprising of 7,00,00,000 (Seven Crore) Equity Shares of ₹ 2/- (Rupees Two only) each.

It is therefore proposed to increase the authorised Share capital of the company ₹ 20,00,00,000/- (Rupees Twenty Crore only) comprising of 10,00,00,000 (Ten Crore) Equity Shares of ₹ 2/- (Rupees Two only) each.

The proposed increase of authorised Share capital requires the approval of the Members at a General Meeting. Consequent upon the increase in authorised share capital of the company, its Memorandum of Association will require alteration so as to reflect the increase in authorised share capital.

The new draft of Memorandum of Association (MOA) of the Company after incorporating the above proposed changes in physical form is open for inspection by the members of the company at the registered office of the company during the business hours on all working day. A copy of the new set of MOA shall be given to the members of the company upon receipt of a request for the same in writing. The new draft MOA will also be available for inspection by members at the meeting.

Accordingly consent of members of the company is hereby sought by way of ordinary resolution.

None of the directors or managers or key managerial persons or relatives of all of the aforesaid are concerned or interested, financially or otherwise in respect of this item of Agenda.

This item of special business to be transacted at the Annual general meeting of the company does not relate to or affects any other company. Therefore, the extent of shareholding interest in other company/(s) of every promoter, director, manager, if any, and of every other key managerial personnel of the Company need not be set out in this statement and hence not given.

The document/(s) mentioned above is/are available for inspection at any time, during the business hours at the registered office of the company:

1. Certified true copy of resolution passed by board of directors
 2. Draft Memorandum of Association and Articles of Association
-

Item No. 5: -

Offer, issue and allot equity of the company on preferential allotment basis to qualified institutional buyers by way of qualified institutional placement (QIP)

The company proposes to create, offer, issue and allot securities through preferential allotments, qualified institutions placement, issuance of American Depositary Receipts(ADR) Global Depositary Receipts (GDR), Foreign Currency Convertible Bonds (FCCB) and such other securities in such manner as stated in the resolution. The company intends to issue Securities for an amount upto ₹ 175 Crore (including premium), subject to applicable laws and regulations, the company intends to use the net proceeds of the issue primarily for making expansion and repayment of existing debt, working capital requirements and general corporate purpose. The minimum floor price will be calculated in accordance with provisions of Regulation 85 of Chapter VIII of SEBI ICDR Regulations, 2009. Further the Securities may be issued at a discount of upto 5% or more as may be prescribed under SEBI Regulations on the price determined in accordance with the mentioned pricing formula.

The special resolution also seeks to empower the board of directors to undertake a Qualified Institutions Placement with Qualified Institutional Buyers as defined by SEBI ICDR Regulations. The Board of Directors may in its discretion adopt this mechanism as prescribed under Chapter VIII of the SEBI ICDR Regulations for raising the funds for the expansion plans of the company, without need of fresh approval from the shareholders. In case of an issuance of securities to qualified institutional buyers, whether or not such investors are existing members of the company, through a qualified institution placement under chapter VIII of SEBI ICDR Regulations, the final price at which the securities will be offered will be subject to investor response and

prevailing market conditions and computed in accordance with the relevant provisions of Chapter VIII of SEBI ICDR Regulations may also be contemplated at the time of issuance, for which authorization is being taken from the shareholders of the company through this special resolution.

The detailed terms and conditions of issue as and when made will be determined by the board of directors in consultation with the advisors and other experts in accordance with the applicable provisions of law. The special resolution seeks to give the board powers to issue Securities in one or more tranche or tranches at such time at such price or prices and to such person(s) including institutions, incorporated bodies or otherwise as the board in its absolute discretion deem fit.

The consent of the shareholders is being sought pursuant to the provisions of Section 62(1)(c) and section 42 of the Companies Act, 2013 to the extent notified and in force and in terms of the provisions of the listing agreements executed by the company with the Stock exchanges where the Equity shares of the company are listed i.e. BSE Limited and National Stock Exchange India Limited.

The board of directors believe that the issue of Securities to investors who are /are not shareholders of the company is in the interest of the company and therefore recommends the resolution for approval as special resolution.

None of the directors or managers or key managerial persons or relatives of all of the aforesaid are concerned or interested, financially or otherwise in respect of this item of Agenda.

This item of special business to be transacted at the Annual general meeting of the company does not relate to or affects any other company. Therefore, the extent of shareholding interest in other company/(s) of every promoter, director, manager, if any, and of every other key managerial personnel of the Company need not be set out in this statement and hence not given.

The document/(s) mentioned above is/are available for inspection at any time, during the business hours at the registered office of the company:

1. Certified true copy of resolution passed by board of directors
2. Memorandum of Association and Articles of Association

**BY THE ORDER OF THE BOARD OF DIRECTORS
FOR KARDA CONSTRUCTIONS LIMITED**

Sd/-

MAYURA MARATHE

COMPANY SECRETARY

MEMBERSHIP NO: ACS 44678

(Authorised to sign and serve vide Board Resolution dated 02.09.2020)

Date: September 02, 2020

Place: Nashik

Additional information as required under the Companies Act, 2013 and Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements), 2015 and Secretarial Standard II in respect of the directors' appointment/ re-appointment is provided below:

Name	Manohar Jagumal Karda (DIN:0147412779)
Age (Years)	48 years
Educational Qualification	Undergraduate
Experience/ Expertise/ Brief Resume	He has over 12 years in the field of real estate & construction. He plays a crucial role in the purchase management of the Company. He is also responsible for various other day to day activities of our Company.
Directorships in other companies	Shree Sainath Land & Development (India) Private Limited
Committee Memberships and Chairmanships	NA
Number of Board meetings attended during	In the year 2019-2020, Mr. Manohar Karda attended 15 out of 15 Board meetings the year
Terms and Conditions of Re-appointment	In terms of Sec 152 (6) of Companies Act, 2013 who was reappointed as director at the Annual General Meeting held on September 29, 2018, is now liable to retire by rotation.
Remuneration last drawn (including sitting fees if any)	Remuneration drawn of ₹ 12 Lakh p.a. for FY 2019-2020. No sitting fees have been paid during the FY 2019-2020.
Remuneration proposed to be paid	As per existing approved terms and Conditions
Date of appointment on the board	October 10,2008
Relationship with other Directors / Key Managerial Personnel (KMP)	Brother of Mr. Naresh Jagumal Karda (DIN: 01741279), Chairman & Managing Director
Directorships and No. of Membership of Committees in other entities as on March 31, 2020	NA
Shareholding as on March 31,2020	3,70,000 Equity shares

MANAGEMENT DISCUSSION AND ANALYSIS

REPORT

GLOBAL ECONOMY

The global economies are facing a synchronized slowdown, resulting from a variety of factors affecting the world. The outbreak of coronavirus 2019 (COVID19) has globally disrupted people's lives, interrupted businesses and jeopardized decades of development progress. According to The World Economic Outlook (WEO) update, global economic growth has been downgraded to 2.4% in 2019, which is its slowest pace since the global financial crisis of 2008. The decline in growth is the outcome of rising trade tensions between large economies, rising uncertainty surrounding trade and geopolitical issues; along with individual macroeconomic problems such as low productivity growth in emerging economies and aging population in advanced economies. To add to the existing issues, the pandemic outbreak has worsened the economic environment. The crisis is the result of the needed containment measures that forced policymakers to take extreme steps in the form of huge fiscal stimuli to encourage economic activity. With considerable uncertainty around the world due to the pandemic, its macroeconomic fallout, and the associated impact on financial and commodity markets, the World Economic Outlook has estimated global growth to decline by 5.2% in 2020 before recovering by 4.2% in 2021. In China, the containment efforts such as quarantine and widespread restrictions on travel, have resulted in unplanned delays in restarting factories after the Lunar New Year holiday and sharp cutbacks in many service sector activities. With the existing slowdown visible across the globe, the pandemic is expected to have severe consequences on the world economy leading to lay-offs, reduction in capex by companies and delay in discretionary purchases. The economic activity in U.S. and Eurozone economies is expected

to fall sharply as these economies undertake measures to contain the outbreak.

INDIAN ECONOMY

The Indian economy decelerated sharply in the fourth quarter at 3.1%, lowest in almost 17 years, after growing at 4.1% in Q3 FY20. As per the Central Statistics Office (CSO), GDP growth for FY20 stood at an 11-year low of 4.2% lower than the government projection of 5.0% in both first and second advance estimates. The country's fiscal deficit worsened to 4.59% of GDP, much beyond the targeted 3.8% of GDP and expected to worsen further with the dip in tax collection and revenue shortage due to the subsequent effects of lockdown on the economy. The core sector contracted by a record 38% in April as the lockdown hit all eight infrastructure sectors. According to the CSO, country's factory output growth contracted to 0.7% in FY20, as against expansion of 3.8% in FY19. Consumer durables output, an indicator of urban demand, contracted by 8.4% in FY20, compared with a growth of 5.5% in FY19. According to the Asian Development Bank, India's GDP growth is projected to contract by 4.0% in FY2021 before recovering sharply to 6.2% in FY2022, on the assumption of recovery from the pandemic in the second half of 2020. With the lockdown scenario, consumption and investments are expected to be severely impacted in the first quarter. The gross fixed capital formation is likely to decline with rising risk perception and uncertainty around the pandemic. RBI has cut the repo rate by 40 bps to 4.0% in May 2020, which is the lowest ever and rolled out a range of measures to preserve financial stability and counter the economic impact of COVID19. The central bank has undertaken open market operations and US dollar-rupee swaps to ensure adequate rupee and dollar liquidity during the recent global sell-off. While there is gloom in the

near term with the unprecedented situation led by the outbreak, domestic demand will rebound strongly once the pandemic passes and full economic activity resumes. The historical corporate tax cuts introduced in September 2019 are expected to encourage domestic and foreign private investments in the long run. Also, the alternative tax regime introduced in the latest budget is expected to increase household disposable income, thereby boosting private consumption, and potentially expanding the tax base. FY20 inflation stood at 4.8%, below the RBI's upper target limit and is expected to fall further in the current year with declining crude prices and slump in domestic demand, making the rate cuts more favorable. Prices for some manufacturers are likely to increase with supply disruption and rupee depreciation. The country's exports of goods and services are expected to improve once the global economies recover from the shocks of the pandemic. While the long term outlook looks robust for the country, a prolonged COVID19 pandemic would push the global economy into deep recession and further slow Indian growth.

REAL ESTATE SECTOR

India is emerging as an important Business location, particularly in the service sector. Its favorable demographics and strong economic growth make the country an attractive place for property investors, given that demand for property is determined chiefly by Business development and demographic trends.

Historically, the real estate sector in India was unorganized and characterized by various factors that impeded organized dealing such as the absence of a centralized title registry providing title guarantee, lack of uniformity in local laws and their application, non-availability of Bank financing, high rate of interest and transfer taxes and the lack of transparency in transaction values.

In recent years however, the real estate sector in India has exhibited a trend towards greater

organization and transparency, accompanied by various regulatory reforms.

The Indian real estate sector has been trying to get back on its feet and come to terms with multiple reforms and changes brought in by demonetization, RERA, GST, IBC, NBFC crisis and the subvention scheme ban. While it was a tough task for the sector to align itself with these new regulations, the measures have been instrumental to bring transparency, accountability and fiscal discipline over the last few years.

Prior to COVID19, the real estate sector was expected to grow to USD 650 billion and contribute around 13% of India's GDP by 2025 (from around 6-7% in 2017), according to ANAROCK Research. Over-reliance on NBFC funding led to severe funding issues after the IL&FS default, wherein RBI had asked NFBCs to bring down their exposure to real estate sector. The share of NBFC loans to real estate which plunged to 46% of total credit to real estate sector in 2018-19, is expected to further come down. Current coronavirus outbreak is expected to derail the sector's growth momentum in the short term due to its impact on the overall slowing economy. According to industry estimates, 90% of the workforce employed in real estate and construction sector is engaged in the core construction activities, while the rest 10% is involved in other ancillary activities. Since majority of the workers are immigrants, labor shortage could possibly pose a major challenge for the sector post COVID19 lockdown. While the pandemic outbreak could temporarily disrupt the sector, there are certain green shoots in this adverse situation.

The recent liquidity crisis has worsened the situation for smaller players which were anyway finding it difficult to adhere to new norms laid by RERA leading to a new wave of consolidation. Industry consolidation is likely to get accelerated further with the COVID19 outbreak and many weak players may cease to exist. Larger established players with strong access to funding are expected to gain market share. Also, the current situation is expected

to open up a lot of business development opportunities for well capitalized developers.

RESIDENTIAL REAL ESTATE MARKET

The Indian residential sector has been grappling with subdued demand for the past few years and the recent developments (ongoing impact of NBFC crisis and COVID19) have made things even more difficult for the sector. According to the property research firm Knight Frank, the total sales volume in the top eight cities increased by a modest 1% in CY2019 to 245,861 units as the sector continued to be impacted by the prolonged crisis in the NBFC

sector. While certain measures such as the consecutive interest rate cuts by the RBI & the reduction of GST rates to 1% for affordable housing and 5% for others and the setting up of an Alternative Investment Fund (AIF) have helped home-buyer sentiments, they've had little impact on the sales for the sector.

The Maharashtra Government recently announced slashing the stamp duty on the purchase of new houses by 2 percent to uplift the market sentiments.



The growth in residential real estate market in India has been largely driven by rising disposable incomes, rapidly growing middle class, low interest rates, fiscal incentives on both interest and principal payments on both interest and principal payments for housing loans, heightened customer expectations, as well as increased urbanization and growing number of nuclear family.

The recent growth of the commercial real estate sector in India has been fuelled by increased

revenues of Companies in the service business, particularly in the IT and ITES sectors.

Source: Report by Indian Brand Equity Foundation

Real estate sector in India is expected to reach US\$ 1 trillion by 2030. By 2025, it will contribute 13 per cent to country's GDP. Emergence of nuclear families, rapid urbanisation and rising household income are likely to remain the key drivers for growth in all spheres of real estate, including residential, commercial, and retail. Rapid

urbanisation in the country is pushing the growth of real estate. More than 70 per cent of India's GDP will be contributed by urban areas by 2020.

India's Global Real Estate Transparency Index ranking improved by a notch to 34 in 2019 on the back of regulatory reforms, better market data and green initiatives according to property consultant JLL.

Grade-A office space absorption is expected to cross 700 msf by 2022 with Delhi-NCR contributing the most to this demand. The Government of India has been supportive towards the real estate sector. In August 2015, the Union Cabinet approved 100 Smart City Projects in India. The Government has also raised FDI (Foreign Direct Investment) limits for townships and settlements development projects to 100 per cent. Real estate projects within Special Economic Zones (SEZ) are also permitted for 100 per cent FDI. Export from SEZs reached Rs 7.01 lakh crore (US\$ 100.30 billion) in FY19 and grew by almost 14.5 per cent to Rs 3.82 lakh crore (US\$ 54.66 billion) in H1FY20.

Government of India's Housing for All initiative is expected to bring US\$ 1.3 trillion investment in the housing sector by 2025. As of December 2019, under Pradhan Mantri Awas Yojana (Urban) [PMAY (U)], 1.12 crore houses were sanctioned in urban areas, with a potential to create 1.20 crore jobs. The scheme is expected to push affordable housing and construction in the country and give a boost to the real estate sector. On July 09, 2020, Union Cabinet approved the development of Affordable Rental Housing Complexes (AHRCs) for urban migrants and poor as a sub-scheme under PMAY-U. Government has also released draft guidelines for investment by Real Estate Investment Trusts (REITs) in non-residential segment.

A recent publication by the Reserve Bank of India on Consumer Confidence Index and Future Expectations Index in May 2020 suggests changes in consumer sentiments and expectations of the Indian people. Historically, Ind-Ra has evidenced a spill-over effect on real estate when these indices

had dropped. Ind-Ra expects a longer-than-expected time to recover for the real estate sector based on steep drop indices in May, 2020.

As per a research report CRISIL, the Central and State governments are focusing mostly on fighting COVID-19 critical issues such as labour availability and weak business sentiments, as those can significantly derail the execution of real estate projects in Q1 2020 especially in urban areas.

According to a recent report by Cushman and Wakefield, the Indian commercial real estate segment is relatively stable and not as volatile as the stock market. However, with the global supply chain getting affected by the pandemic, the feeder impact will be seen in commercial markets as well. If the immediate-to-short term effect is considered, commercial leasing and co-working activity will be hit tremendously. However, in the longer term, the commercial real estate segment will be the quickest to bounce back. The majority of lost output has the potential to be gained back in the latter half of 2020.

According to the Blackstone Group, one of the largest office space owners of India, the COVID-19 outbreak has delayed project completion timelines, reduced demand and softened rentals, at least for the next few months.

The outbreak has also pushed regular investors towards more secure instruments of investment such as Fixed Deposits (FD) and Gold, and this trend is going to stay for the second quarter of 2020, as well.

COVID19 IMPACT ON RESIDENTIAL REAL ESTATE

COVID-19 has severely hit residential real estate business and the sector has come to a standstill in the short term. While the sector was coming out of the woods after the liquidity crisis initiated by the IL&FS fiasco and subsequent fallouts of various financial institutions, the pandemic outbreak could further impact residential sector.

Drop in new launches and slump in sales volumes

Amidst the current COVID-19 outbreak, the sector is likely to witness major disruptions due to

construction delays and financing issues. Also, many prospective customers could consider postponing their decisions either to stay away from the project sites or in the expectations of a price correction. According to ANAROCK Research, new launches could decline by 25%-30% and sales volume could decline by 25%- 35% in CY2020.

Nashik: The booming city

From a pilgrimage city and semi hill-station to wine capital of the country and an industrial, educational and medical hub, Nashik is rapidly moving towards becoming a Metropolitan Smart City.

Nashik's rapid urbanisation in recent years can be credited to its flourishing skill-based manufacturing industries (such as automotive, consumer and capital goods, engineering and textile), pharmaceutical sectors like biotechnology, and IT-ITeS sector.

Nashik is a well-known industrial district which hosts various auto, engineering and electrical industries. The city's economy is driven primarily by the engineering and manufacturing industry (which has been flourishing since the 70s) as well as agriculture within and in the surrounding areas of the city.

More than 10,000 industries operating on a large, medium and small scale exist across the five major industrial zones - Ambad, Satpur, Gonde, Igatpuri and Sinnar - developed by the Maharashtra Industrial Development Corporation (MIDC). Nashik is also home to large companies such as Crompton Greaves, Bosch India, Atlas Copco, Mahindra & Mahindra, IBP, GlaxoSmithKline, CEAT, ThyssenKrupp, Epcos, Schneider Electric, ABB, L&T, Jindal Steel, Lear Corporation, Siemens, Kirloskar, Coca-Cola, Shalimar Paints and Cipla. A Hindustan Aeronautics Limited (HAL) aircraft manufacturing plant is also located around 25 km from Nashik. Two thermal power plants - Indiabulls Power Ltd. Sinnar and the Nashik Thermal Power Station - and one wind power generator by Suzlon Energy are also present in the Region.

Rising housing demand

Increasing housing demand in Nashik due to abundant availability of properties at competitive prices catering to various buyer types – end-user first-time home buyers, senior citizens and second/weekend home seekers, as well as investors

Due to Nashik's proximity to Mumbai and Pune and availability of properties at reasonable prices, its residential real estate market is driven by high demand. The city is attracting a huge number of homebuyers owing to the growth of its physical and social infrastructure. Nashik's residential landscape is shifting to the concept of townships from stand-alone houses/buildings. The city's skyline is evolving from villas and row houses to apartment complexes and high-rises equipped with state-of the-art amenities. Also, with Nashik Metropolitan Region Development Authority (NMRDA) being operational and looking at an all-round development of the city, many new areas are likely to open up for newer developments in the future periods.

Source: Report by Anarock

OPPORTUNITIES AND THREATS

- **Home ownership is a new priority for millennials**

Covid-19 has somewhat changed the way millennials are thinking now. Out of all participants that voted for real estate as best asset class for investment, at least 55% were in the age bracket of 25-35 years as against 42% in the previous survey. Interestingly, 68% of all these millennials are end-users. Undoubtedly, physical assets render highest sense of security especially during exigencies such as Covid-19 or when stock markets plummet to new lows and financial markets witness a turmoil.

- **Sense of security associated with physical assets & lower home loan rates key factors determining change**

Out of all the participants who were previously in no mood to purchase a piece of property but have now changed their decision during the

lockdown period, a whopping 92% cited two major reasons for this sudden change – sense of security that physical assets provide during such exigencies & lower home loan interest rates, which are currently at all-time low, ranging between 7.15% and 7.8%.

- **Covid-19 hasn't dented demand for affordable homes**

It was widely anticipated that the affordable segment would be the worst affected in 2020 due to Covid-19 as concerns over its target audience's limited income and fear of unemployment continue to rise. However, it doesn't seem so. Over 36% respondents prefer properties priced within sub Rs 45 lakh budget. It is also likely that in the current Covid-19 situation many buyers having higher budget previously would have actually reduced it. Many would not want to lock-in a large amount of money in such uncertain times. Instead, they would buy a more functional house based on their current needs only.

- **62% buyers prefer to pay premium & opt for developers with least execution risk**

A majority of respondents now largely favour risk-free investments. No wonder, demand for developers having least execution risk is at all-time high, even if the property is relatively higher priced. In the previous survey, just 52% preferred higher-priced property from branded developers over smaller ones that sold properties at lower price, but had high execution risk – thus recording a 10% jump during Covid-19.

- **Over 34% investors now prefer RTM homes**

In a significant trend seen during Covid-19, unlike before many respondents seeking property from investment perspective prefer ready-to-move-in (RTM) homes. As many as 34% prefer ready homes over under construction ones probably because construction activity is completely halted across the country, inevitably leading to project delays by several months. In comparison,

last survey trends indicated that just 12% investors preferred ready homes then.

RISKS AND CONCERNS

The Indian Real Estate sector, one of the most globally recognised sectors in the world, is well complemented by the demand for office spaces as well as urban and semi-urban accommodations.

The Indian Real Estate sector, one of the most globally recognised sectors in the world, is well complemented by the demand for office spaces as well as urban and semi-urban accommodations. Furthermore, it contributes to about 6-7 per cent of the country's GDP. However, the sector is currently in the midst of challenging times owing to a variety of economic factors.

The demonetisation move in November 2016 stunted the growth of the real estate sector and reduced the flow of investments. Additionally, the implementation of the Real Estate Regulation Act (RERA) passed by the Centre has resulted in a variety of projects arriving at a standstill. Similarly, there are other such policy and regulation challenges that have plagued the real estate sector in India.

- **Delayed infrastructure projects**

A lack of or irregular funding is one of the major hurdles for infrastructure developers that lead to delayed projects well before RERA. In addition to the complications faced to acquire funding for the project, the real estate developer has to pass through at least 40 different government regulations before commencing construction.

The time-lapsed in acquiring these permissions ranges between a few months to a year and increases the cost of the property by 10-20 per cent for both consumers and developers. While RERA has succeeded in combating the issue with transparent usage of finances, the sector calls for a single-window clearance system to streamline and fasten the approval mechanism.

- **Land availability**

Another challenge that has affected the growth of the real estate sector and the developers is

litigated land. According to a survey conducted by the MahaRERA, around 16 per cent of projects and 31 per cent of built-up spaces are, or have been, in legal disputes. In Mumbai, these figures tally to about 30 per cent of the real estate projects and 50 per cent of the built-up space; for Thane, the corresponding figures are 26 per cent and 36 per cent respectively.

Additionally, there is a large share of underutilized and vacant land parcels that need to be freed for development through land regulations, land readjustment, and pooling policies. These challenges call for a serious revision of the Land Acquisition Resettlement and Rehabilitation Act 2013 which grants compensation, rehabilitation, and resettlement to the affected persons in India.

- **Outdated building bye-laws**

With the current rate of population explosion, the demand for space is vital. Over 50 per cent of the world's population lives in cities, and the number is expected to rise by 2.5 billion by the year 2050. However, the current Floor Space Index (FSI) norms in the cities are not on par with the growing demands of the consumers. Reports state that the permitted FSI in Indian cities is currently at an all-time industry low, within the range of 1 to 1.5. These challenges call for state governments to revisit the FSI norms.

- **Tax and demand shifts**

In addition to the previous financial challenges, the implementation of the GST is another factor that haunts the real estate sector. Before the implementation of GST, a service tax of 4.5 per cent was applicable in the case of an under-construction property. However, post-GST, the rate has risen sharply to 12 per cent, stealing the attractiveness of the ordeal for property investors.

As buyers were paying registration charges and stamp duty on properties, the inclusion of GST has increased the statutory cost of the property of the investor by 20 per cent.

The trends in the real estate sector demand for a revision in policies in multiple areas of the infrastructure development cycle. Additionally, the current economic slowdown is a culmination of the above factors, which often overlap. However, the slump in the real estate segment is not singularly a result of the hurdles for developers, but the ever-changing demands of the buyers.

Your company intends to focus on the completion of its on-going projects and handing over the possession of the ready units lying with company as inventories.

Also along with the construction, Company would strive to receive more contract work orders in the current financial year and in future.

Company plans to focus on the customer needs and preferences to achieve more stability in the market. Location of the project would be major key driver for the sale. Hence Company would aim at finding and acquiring such land being appropriate for the projects.

INTERNAL CONTROL SYSTEMS AND ITS ADEQUACY

Your Company has established adequate internal control procedures, commensurate with the nature of its business and size of its operations. These controls have been designed to provide a reasonable assurance regarding maintenance of proper accounting controls for ensuring orderly and efficient conduct of its business, monitoring of operations, reliability of financial reporting, accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, protecting assets from unauthorised use or losses, prevention and detection of frauds and errors, and compliance with regulations.

To provide reasonable assurance that assets are safeguarded against loss or damage and that accounting records are reliable for preparing financial statements, the Management maintains a system of accounting and controls, including an

internal audit process. Internal controls are evaluated by the Internal Auditor and supported by the Management reviews. All audit observations and follow up actions thereon are tracked for resolution by the Internal Audit and Business Control function and reported to the Audit Committee.

SEGMENT-WISE PERFORMANCE

During the year the revenue from real estate segment stood at ₹ 10,265.14 Lakhs as compared to revenue of ₹8,693 Lakhs of FY 2018-2019.

The Company has completed 70% work of residential Building A of Project Hari Nakshatra Phase I amounting to ₹ 13.12 Crore approx against the construction work order of ₹ 18.92 Crore awarded by Shree Sainath Land & Development (India) Private Limited. During the reporting period company received contract works order of construction of 115 Police quarters head quarter, City Police Station cum S.D.P.O. office for S.P. Buldhana at Buldhana District Buldhana including all infrastructure amenities from Maharashtra State Police Housing & Welfare Corpn Ltd.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

During the Financial Year 2019-2020, revenue from operations was 11,412.14 Lakhs as compared to ₹ 10529.66 Lakhs during the previous year. Profit after tax for the financial year is ₹ 963.64 Lakhs as compared to profit of ₹ 1209.75 of previous year.

HUMAN RESOURCES DEVELOPMENT

The Company had 91 permanent employees as on March 31, 2020 at various levels. The Company has a HR Policy in place and encouraging working environment. The Company has continued to focus

on various aspects like employee training, welfare and safety thereby maintaining a constructive relationship with employees.

KEY FINANCIAL RATIOS

In accordance with SEBI (Listing Obligations and Disclosure requirements 2018) (Amendment) Regulations 2018, the Company is required to give details of significant changes (Change of 25% or more as compared to the immediately previous financial year) in key sector specific financial ratios

Ratios	FY 2019-20	FY 2018-19	Explanations
Trade Receivables Turnover	9.75	16.30	Average Trade receivables has been increased during FY 2019-20.
Current Ratio	2.99	2.10	Current liabilities were reduced and there was hike in Inventory as compared to last financial year.
Net Debt Equity Ratio	0.51	1.01	There was repayment of debt in current financial year which resulted into reduce in debt equity ratio
Net Profit Margin %	8.07	11.06	There was exceptional items - Loss by fire occurred during current financial year of ₹ 93.13 Lakhs which resulted into reduction of Net profit
Return on Net Worth %	9.68	13.54	There was exceptional items - Loss by fire occurred during current financial year of ₹ 93.13 Lakhs which resulted into reduction of Net profit

OUTLOOK

Forward-looking Statements

This document contains certain forward-looking statements based on the currently held beliefs and assumptions of the management of Karda Constructions Limited, which are expressed in good faith, and in its opinion and judgment, are fairly reasonable. For this purpose, forward-looking statements mean statements, remarks or forecasts that address activities, events, conditions or developments that the Company expects or anticipates which may occur in the future. Because of the inherent risks and uncertainties in the social and economic scenarios, the actual events, results or performance can differ materially and substantially from those indicated by these statements. Karda Constructions Limited disclaims any obligation to update these forward-looking statements to reflect future events or developments.

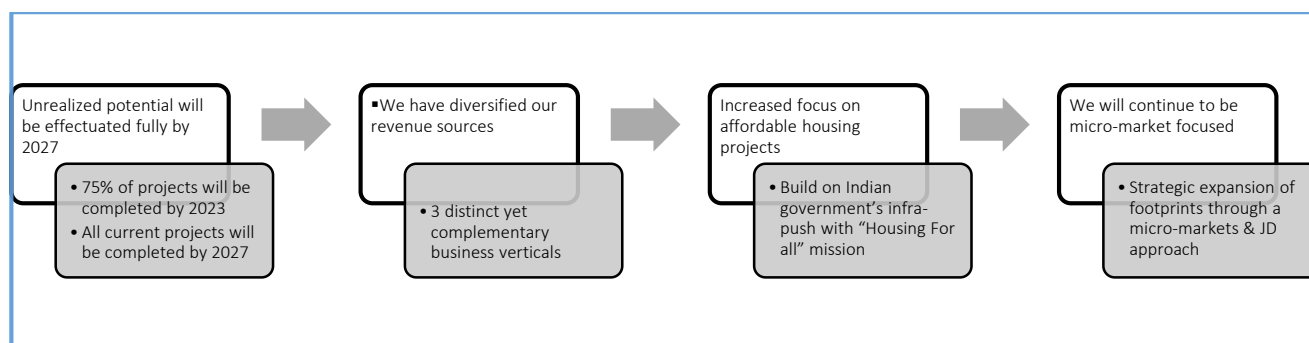
As the real estate sector continues to tackle the existing issues created by the aftershocks of the liquidity crisis and resulting disruption of COVID19, we see an opportunity for well established players in the industry. The start of FY2021 may be muted due to the lockdown and subsequent impact on economy, but we believe our strong project pipeline and healthy balance sheet will help maintain operational performance going ahead.

The pace of consolidation in the sector is also expected to accelerate further and we expect to gain market share. Also, amidst COVID19 and prevailing liquidity crunch, the visibility on business development is getting stronger and we hope to add several projects to our portfolio in FY2021.

Our focus on our four core markets, strong brand and existing portfolio leaves us on a strong foot to take advantage of this opportunity. The real estate sector in India has faced several challenges and is about to take off to a new horizon in the coming years. In line with expectations, KARDA delivered a record operational and financial performance during the Financial year 2019-2020.

KARDA's unique model, strong brand name and unmatched execution capabilities, help us deliver all our projects on time. The Company currently has 17 on-going real estate projects aggregating 2.65 million square feet of developable area.

Company plans to launch new projects in near future. The company intends to focus more on entering into joint venture agreements for project development and to aim at reducing the debt relating to the project.



Company has also started in setting foot in area of contractual work contract orders. Following are the details of company's works contract orders in hand:

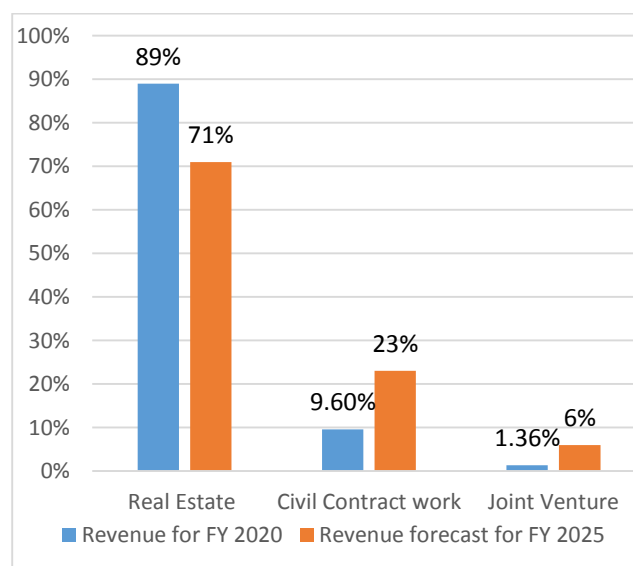
(Amt in Lakhs)

Sr. No.	Name of Entity / Nature of Work	Work Order Amount
FY 2016-17		
1	Goa Housing Board - Construction of 28 single bedroom flat	401.74
2	Goa Housing Board - Construction of 16 Duplex Bungalows in sector "S" at Farmagudi Ponda	650.23
3	Goa State Urban Development Agency - Construction of market complex cum community center in S.No.118 Zuarinagar at Sancoale village for Goa rehabilitation board deposit work.	379.28
4	National Health Department - Construction of 100 Bed Civil Hospital	1039.25
FY 2017-18		
5	Construction of Finishing Works of Residential Building at Empire Industries Ltd, Ambernath	636.77
6	Construction of Residential Building – Building A (Hari Nakshatra)	1892.49
FY 2018-19		
7	MSRTC - Construction of Bus Depot at Shahapur	353.50
8	Construction of Residential Building – Building B (Hari Nakshatra)	4126.75

9	Construction Work for Ashoka Business Enclave "B" Building at S No. 113/2A, Wadala Shiwar	1034.89
FY 2019-20		
10	Maharashtra State Police Housing & Welfare Corpn. Ltd. – Construction of 115 Police Quarters at Head Quarter, Buldhana	3884.53
11	Construction of Commercial Building – Destination One Mall	3300.00
12	Destination Kharadi Developers LLP (Pune)	652.03
Total Contract Value		18351.46
Billing done till 31.03.20		3364.23
Balance		14987.23

As company would focus on de risking through diversification by entering into Civil Contracts and Joint Ventures. Also company may adapt alternative structure to reduce upfront capital commitment with JD as land acquisition model.

Following chart suggest the forecast of revenue for FY 2025 with comparison of FY 2020:



DIRECTOR'S REPORT

To,
The Members,

Your Directors have pleasure in presenting the 13th Annual Report together with audited statement of accounts of the Company for the year ended on 31st March 2020.

FINANCIAL RESULTS

The financial performance of your Company for the year ended March 31, 2020 is summarized below: -

(Amounts in Lakhs)

Particulars	2019-2020	2018-2019
Total Revenue	11833.49	10,873.75
Expenses	8672.91	7,534.71
Earnings before interest and tax	3160.58	3,339.04
Finance Cost	1785.18	1,707.76
Depreciation	17.53	27.82
Profit Before Tax	1357.87	1,603.46
Exceptional Items-Loss by fire	93.13	-
Tax Expenses:		
Current Tax	327.70	395
Deferred Tax	(26.60)	(1.28)
Net Profit for the period	963.64	1,209.75
Items that will not be subsequently reclassified to profit or loss	(8.10)	(7.40)
Total Comprehensive Income for the period	955.54	1,202.35
Earnings per share (EPS)		
Basic EPS	7.77	9.78
Diluted EPS	7.77	9.78

BUSINESS AND OPERATIONS

A. Business Overview

The Company is operating in the following two segments:

- Construction and development of residential and commercial projects
- Contractual projects

A summary of completed and ongoing projects as on March 31, 2020 has been detailed in the Management Discussion and Analysis Report titled 'Management Report' forming part of the Annual Report.

Change in the nature of business

During the financial year there were no changes in the nature of business of the company.

B. Financial Overview

• Standalone

During the Financial Year 2019-2020, revenue from operations is ₹ 11,412.14 Lakhs as compared to ₹ 10529.66 Lakhs during the previous year. Profit after tax for the financial year is ₹ 955.54 Lakhs as compared to profit of ₹ 1202.35 Lakhs of previous year.

The financial statements of the Company for the year ended 31st March, 2020 have been disclosed as per Schedule III to the Companies Act, 2013.

• Consolidated Financial Statement

The reporting on the performance and financial position of the Subsidiaries, associates and joint venture companies in the Board's Report in accordance with section 129(3) of the Companies Act, 2013 and the Indian Accounting Standard (Ind AS) 110 is not applicable.

• Reserves

The company does not propose to carry any amounts to any reserves.

• Dividend

Considering the operating environment in the standalone business and in view to conserve resources for the year, no dividend is declared to be paid to the Members for Fiscal 2020. Further, the board has not declared any interim dividend during the financial year.

There has been no transfer of unclaimed or unpaid dividend to investor education and protection fund, as there are no unclaimed or unpaid dividends. Accordingly, the provisions of section 125 (2) of the Companies Act, 2013 do not apply to the company.

• Deposits

The company has neither accepted nor renewed any deposits under chapter V of the Companies Act, 2013. Also, there are no deposits which remained unpaid or unclaimed as at the end of

the year. The question of default in repayment of deposits or payment of interest thereon did not arise during the year.

There are no deposits which are not in compliance with the requirements of chapter V of the Companies Act, 2013.

C. Operational Overview

Ongoing Projects

The Company currently has real estate projects aggregating 2.65 million square feet of saleable area. The Company has a good geographic presence with 17 ongoing projects.

SHARE CAPITAL RELATED MATTERS

A. Share Capital

The authorised share capital of the Company is ₹ 140,000,000 (Rupees Fourteen Crore) divided into 14,000,000 (One Crore Forty Lakh) equity shares of ₹ 10 (Rupees Ten) each. At the beginning of the year under review, the issued, subscribed and fully paid up capital was ₹ 123,000,000 (Rupees Twelve Crore Thirty Lakh) divided into 12,300,000 (One Crore Twenty Three Lakh) equity shares of ₹10 each. There was no change in the issued, subscribed and fully paid up share capital of the Company during the year under review.

The Company has split the face value of per equity share from ₹10 each to ₹2 each via postal ballot w.e.f June 16,2020.

At present the Authorised Share capital of the company is ₹14,00,00,000/- (Rupees Fourteen Crores Only) comprising of 7,00,00,000 (Seven Crore) equity shares of ₹ 2/- each (Rupees Two Only). While the paid up share capital of the company is ₹ 12,30,00,000/- (Rupees Twelve Crores Thirty Lakhs) comprising of 6,15,00,000 (Six Crore Fifteen Lakhs) equity shares of ₹ 2/- each (Rupees Two Only).

Karda Constructions Limited is a public limited

company and its equity shares are listed on the National Stock Exchange of India Limited and BSE Limited.

Bonus issue, rights issue, private placements etc

During the financial year, the company has not issued any equity shares. No bonus shares were issued during the year. Further, the company has not issued and allotted securities by way of private placement.

Equity shares with differential voting rights

The company has not issued equity shares with differential voting rights during the year.

Employees stock options

The company has not provided any stock option scheme to the employees.

Buy-back of securities

The company has not bought back any of its securities during the year.

Sweat equity shares

The company has not issued any sweat equity shares during the year.

B. Subsidiaries, Associate Companies, Joint Venture Companies

There are no subsidiaries, associate companies or joint venture companies of the company as on the date of the close of the financial year.

Further, there are no companies which have become or ceased to be subsidiaries, associate companies or joint venture companies during the financial year.

BOARD OF DIRECTORS AND ITS COMMITTEES

A. Composition of the Board of Directors

The Company is managed by well-qualified professionals. All directors are suitably qualified, experienced and competent. The members of the Board of Directors are persons with considerable experience and expertise in Audit, Accounts,

Finance, Administration and Marketing.

The Company is benefitted by the experience and skills of the Board of Directors. The Independent Directors have made disclosures to the Board confirming that there are no material, financial and/or commercial transactions between them and the company which could have potential conflict of interest with the company at large. The Company has a Code of Conduct for Directors and Senior Management personnel. The code is available on the official website of the www.kardaconstruction.in.

Woman Director

In accordance with the second proviso of section 149 (1) of the Companies Act, 2013 read with rule 3 of the companies (Appointment and Qualification of Directors) rules, 2014, and Regulation 17 of (Listing Obligations and Disclosure Requirements) Regulations, 2015 the company has Mrs. Shweta Raju Tolani (DIN: 07575484) as a Non-Executive Independent Director on the board.

Independent Director

Following are the Non-Executive Independent directors for complying with the provisions of section 149 of the Companies Act, 2013 read with rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 appointed on board:

Mrs. Shweta Raju Tolani (DIN: 07575484)

Mr. Rahul Kishor Dayama (DIN: 07906447)

Mr. Sandeep Ravindra Shah (DIN: 06402659)

All Independent Directors of the Company have given declarations under Section 149(7) of the Act, that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16 of the SEBI Listing Regulations.

The disclosure in the board's report regarding reappointment by passing special resolution is not

given as no Independent director has been reappointed.

B. Changes in Directors and Key Managerial Personnel

During the year under review, Mr. Anil Nahata, resigned from the post of Chief Financial Officer and Mr. Liyakat Khan was appointed as a chief financial officer w.e.f November 13,2019.

The following persons were the KMP as on 31st March, 2020 pursuant to sections 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) rules, 2014:

Sr No.	Name	Designation
1	Naresh Jagumal Karda	Chairman & Managing Director
2	Manohar Jagumal Karda	Whole Time Director
3	Liyakat Khan	Chief Financial Officer
4	Mayura Dinesh Marathe	Company Secretary and Compliance Officer

C.Meetings of the board

During FY 2019-2020, Fifteen meetings of the Board of Directors were held on the following dates:

April 4,2019;	November 13,2019;
April 10,2019;	December 12,2019;
May 29,2019;	January 1,2020;
June 28,2019;	January 16,2020
July 1,2019;	January 27,2020;
August 13,2019;	February 14,2020;
September 5,2019;	March 5,2020;
October 1,2019;	

The intervening gap between the meetings was within the period prescribed under section 173 of

the Companies Act, 2013, read with Companies (Meetings of Board and its Powers) Rules, 2014, relevant circulars, notifications, orders and amendments thereof.

D. Re-appointment of Directors Retiring by Rotation

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Manohar Karda, Whole Time Director (DIN: 01808564) is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. The Board of Directors based on the recommendations of the Nomination, Remuneration and Committee, have recommended the re-appointment of Mr. Manohar Karda, Whole Time Director (DIN: 01808564), Director retiring by rotation.

The Notice convening the Annual General Meeting includes the proposal for re-appointment of Mr. Manohar Karda, Whole Time Director (DIN: 01808564), as a Director. A brief resume of Mr. Manohar Karda, Whole Time Director (DIN: 01808564), has been provided as an Annexure to the Notice convening the Annual General Meeting. Specific information about the nature of Mr. Manohar Karda's, expertise in specific functional areas and the names of the companies in which he holds directorship and membership / chairmanship of Board Committees have also been provided in the Notice convening the Annual General Meeting.

E.Performance Evaluation

In terms of Section 134 (3) (p) read with Articles VII and VIII of Schedule IV of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance and that of its statutory committees – the Audit Committee, Stakeholder Relationship Committee, Nomination and Remuneration Committee and that of Individual Directors.

The Board assessed the performance and the

potential of each of the Independent Directors with a view to maximizing their contribution to the Board. As envisaged by the Act, the Independent Directors reviewed the performance of the Chairman of the Board at a meeting especially called for that purpose. At the same meeting, a review of the Executive Directors was also carried out. The board has adopted the report of evaluation carried out by independent director.

F. Directors responsibility statement

In accordance with the requirement of Section 134 of the Companies Act, 2013, the Board of Directors of the Company confirms:

- In the preparation of the annual accounts for the financial year ended 31st March, 2020 the applicable accounting standards have been followed along with proper explanation relating to material departures.
- That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year ended 31st March, 2020.
- That the Directors have taken sufficient and proper care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting material fraud and other irregularities.
- That the Directors have prepared the Annual Accounts on a going concern basis.
- There are no material changes & commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate & the date of the report.
- There are proper systems have been devised to ensure compliance with the provisions of all

applicable laws and that such systems were adequate and operating effectively.

- That the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- Based on the framework of internal financial controls and compliance systems established and maintained by 2013 the Company, work performed by the internal, statutory and secretarial auditors and external consultants, including audit of internal financial controls over financial reporting by the statutory auditors, and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2019-2020.

AUDIT RELATED MATTERS

A. Audit Committee

The Audit Committee of the Company was reconstituted at the Board Meeting held on February 2, 2018.

The composition of the Committee as on 31st March 2020 was:

1. Mr. Rahul Dayama
(Independent Director) - Chairman
2. Mrs. Shweta Tolani
(Independent Director) - Member
3. Mr. Naresh Karda
(Chairman and Managing Director) - Member

The terms of reference, powers, role and responsibilities of the Audit Committee are in accordance with the requirements mandated under Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. During the period under review, the advice and suggestions recommended by the Audit Committee were duly considered and accepted by the Board of Directors. There were no instances of non-acceptance of such recommendations.

B. Statutory Auditors

At the Eleventh General Meeting held on 29th September, 2018, the members appointed M/S JPL & Associates, Chartered Accountants (Firm Registration No.132748W), as Statutory Auditors of the Company for a period of 5 years from the conclusion of the Eleventh Annual General Meeting until the conclusion of the Sixteenth Annual General Meeting.

The Statutory Auditors expressed an unmodified opinion in the audit reports with respect to audited financial statements for the financial year ended March 31, 2020.

Explanation or Comments by the Board on every Qualification, Reservation made by the Auditor:

(INR in Lakhs)

Name of the Statute	Nature of the dues	Period to which the amount relates	Demand Amount	Amount Paid	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	AY 2014-15	1.50	1.50	Income Tax Appellate Tribunal (ITAT)
Income Tax Act, 1961	Income Tax	AY 2015-16	36.13	36.13	

The Management is in the process of repaying the dues.

Reporting of Offences involving fraud

The Auditors have not reported any offences involving fraud committed against the company by the officers or employees of the company to the central Government or the board or any other authority, as provided in section 143 (12) of the Companies Act, 2013 read with corresponding rules, circulars, notifications, orders and amendments thereof.

C. Secretarial Audit

Secretarial Audit of the Company for the year ended March 31, 2020 was conducted by Mrs.

Gajara Shah (Mem No. 37875, COP No 22522) of M/S G K Shah & Associates, Practicing Company Secretary. The Secretarial Audit Report issued by Mrs. Gajara Shah (Mem No. 37875, COP No 22522) of M/S G K Shah & Associates, in accordance with the provisions of Section 204 of the Companies Act, 2013 is provided separately in the Annual Report (Annexure I).

There the Secretarial Audit Report has stated following observation:

The Company has submitted the requisite disclosure for financial year end on March, 2019 as specified under Regulation 23 (9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 after the stipulated time (delay of 4 days)

The Management has taken the note of the same.

D. Cost Audit

Based on the recommendations of the Audit Committee, the Board of Directors re-appointed M/s C Y & Associates, Cost Accountants (Firm Registration No: 00334) as the Cost Auditors of the Company for the financial year 2020-2021. In terms of Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors for financial year 2020-2021 is subject to ratification by the shareholders of the Company. The Notice convening the Annual General Meeting contains the proposal for ratification of the remuneration payable to the Cost Auditors.

E. Internal Audit and Internal Financial Controls

The in-house internal Audit team is responsible for assurance with regard to the effectiveness, accuracy and efficiency of the internal control systems and processes in the Company. The Company's audit team is independent, designed to add value and empowered to improve the Company's processes. It helps the Company accomplish its objectives by bringing a systematic, disciplined approach for evaluating and improving the effectiveness of risk management,

control and governance processes.

There are adequate internal financial controls in place with reference to the financial statements. During the year under review, the Internal Audit Department and the Statutory Auditors tested these controls and no significant weakness was identified either in the design or operations of the controls. A report issued by the Statutory Auditors, M/S JPL & Associates, on the Internal Financial Controls forms a part of the Annual Report.

POLICY MATTERS

A. Nomination and Remuneration Policy

The Nomination and Remuneration Committee of the Board of Directors is responsible for recommending the appointment of the Directors and senior management to the Board of Directors of the Company. The Company has in place a Nomination and Remuneration Policy containing the criteria for determining qualifications, positive attributes and independence of a Director and policy relating to the remuneration for the Directors, key managerial personnel and senior management personnel of the Company. The Committee also postulates the methodology for effective evaluation of the performance of Individual Directors, committees of the Board and the Board as a whole which should be carried out by the Board, Committee or by an independent external agency and reviews its implementation and compliance. The Nomination and Remuneration Policy is available on the Company's website: <https://www.kardaconstruction.com/uploads/investors-master/1510049470NRP.pdf> from the policy are reproduced in Annexure II to this report.

B. The Risk Management Framework

The Company has developed and implemented a risk management framework detailing the various internal and external risks faced by the Company and methods and procedures for identifying,

monitoring and mitigating such risks.

The risk management function is supporting the internal control mechanisms of the Company and supplements internal and statutory audit functions.

There was no offence or fraud that needs to be reported by the Statutory Auditors as per Section 143 (12) of the Companies Act.

C. Corporate Social Responsibility Policy

The Company believes that its achievements do not refer only to its growth but are also spread to society. Accordingly, company intends to offer quality education in India. Education and Skilling are the Top Most Priority of the Company.

The Corporate Social Responsibility Policy, as formulated by the Corporate Social Responsibility Committee and approved by the Board of Directors is available on the Company's website: <https://www.kardaconstruction.com/uploads/investors-master/1528357531CSR%20POLICY-KCL.pdf>.

In terms of Section 134 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the annual report on the Corporate Social Responsibility activities of the Company is given in Annexure III to this report.

D. Vigil Mechanism

The Company has established a vigil mechanism to promote ethical behaviour in all its business activities. It has in place a mechanism for employees and Directors to report any genuine grievances, illegal, unethical behaviour, suspected fraud or violation of laws, rules and regulations or conduct to the Vigilance Officer and the Audit Committee of the Board of Directors. The policy also provides for adequate protection to the whistle blower against victimization or discriminatory practices. The

policy is available on the Company's website: <https://www.kardaconstruction.com/uploads/investors-master/1510048036Whistle-Blower-Policy.pdf>

During the year under review, the Company did not receive any complaints relating to unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct from any employee or Directors.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTIONS AND FOREIGN EXCHANGE EARNINGS AND OUTGO

- **Conservation of energy:**

- **The steps taken or impact on conservation of energy:**

The company takes efforts to conserve the energy used at offices and work sites by using energy efficient lighting, electric appliances and computers.

The company has not taken any steps for utilizing alternate sources of energy.

- **The capital investments on energy conservation equipments:**

The company has not made any capital investments on energy conservation equipments.

- **Technology absorption:**

- **The efforts made towards technology absorption:**

The company being engaged in the business of constructions; the company has not made any efforts towards technology absorption.

- **The benefits derived like product improvement, cost reduction, product development or import substitution:**

Not Applicable

- **In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):**

Not Applicable

(a) The details of technology imported: N.A.

(b) The year of import: N.A.

(c) Whether the technology has been fully absorbed: N.A.

(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: N.A.

- **The Expenditure incurred on research and development:**

Not Applicable

- **Foreign exchange earnings and outgo:**

- The foreign exchange earned in terms of actual inflows during the year and the foreign exchange outgo during the year in terms of actual out flows:

Foreign exchange earnings and outgo	(Amounts in Rupees)	
	2019-2020	2018-2019
a Foreign Exchange Earnings	Nil	Nil
B Value of Direct imports	Nil	Nil
C Expenditure in foreign currency	Nil	Nil

SIGNIFICANT OR MATERIAL ORDERS PASSED BY REGULATORS / COURTS

During the year under review, there were no significant or material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has adopted a policy for the prevention and redressal of sexual harassment at the workplace. Pursuant to the provisions of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013, the need to constitute the Internal Complaints Committee for prevention and redressal of complaints of sexual harassment of women at the workplace is not applicable.

AWARDS AND RECOGNITIONS

During financial year 2019-20, the Company was conferred with various awards and recognitions, the details of which are given in a separate section of the Annual Report.

CORPORATE GOVERNANCE

In accordance with Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate report on Corporate Governance forms part of this report.

A certificate from Mrs. Gajara Shah, Practicing Company Secretary affirming compliance with the various conditions of Corporate Governance in terms of the Listing Regulations is given in Annexure IV to this report.

CODE OF CONDUCT

The Company has laid down a code of conduct for the Directors as well as for all senior management of the Company. As prescribed under Regulation 17 of the Listing Regulations, a declaration signed by the Chairman and Managing Director affirming compliance with the code of conduct by the Directors and senior management personnel of the Company for financial year 2019-20 forms part of the Corporate Governance Report.

DISCLOSURE ON CONFIRMATION WITH SECRETARIAL STANDARDS

The Directors confirm that the Secretarial Standards issued by the Institute of Company Secretaries of India have been complied with pursuant to the Companies Act, 2013 and the rules made thereunder.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In accordance with the requirements of the Listing Regulations, the Management Discussion and Analysis Report titled 'Management Report' is presented in a separate section of the Annual

Report.

EXTRACT OF ANNUAL RETURNS

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the annual returns for the financial year ended March 31, 2020 in MGT 9 is attached as Annexure V to this report.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The details of loan provided by the Company under section 186 of the companies Act, 2013 are as follows:

Amount outstanding as at 31 March, 2020 for loans given is Rs. 3412.76 Lakhs and corporate Guarantee given is Rs. 9145.71 Lakhs.

During the year, company has given loan of Rs. 23.33 Crore, details regarding the same are including in notes to Standalone financial statement.

RELATED PARTY TRANSACTIONS

During the year, the Company did not enter into any contract / arrangement / transaction with a related party which can be considered as material in terms of the policy on related party transactions laid down by the Board of Directors. Related party transactions, if any, pursuant to the Listing Regulations were approved by the Audit Committee from time to time prior to entering into the transactions. The related party transactions undertaken during financial year 2019-20 are detailed in the Notes to Accounts of the Financial Statements.

Further, during the year under review, there were no contracts or arrangements with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013. Therefore, there is no requirement to report any transaction in Form AOC-2 in terms of Section 134 of the Companies Act, 2013 and the rules made thereunder.

Remuneration Details of Directors, Key Managerial

Personnel and Employees Details of the remuneration of Directors, key managerial personnel and the statement of employees in receipt of remuneration exceeding the limits prescribed under Section 134 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in Annexure VI to this report.

ADDITIONAL INFORMATION TO SHAREHOLDERS

All important and pertinent investor information such as financial results, investor presentations, press releases, new launches and project updates are made available on the Company's website (www.kardaconstruction.com) on a regular basis.

REVISION OF FINANCIAL STATEMENT OR BOARD'S REPORT

The company has not revised its financial statements or boards report in last three financial years, with reference to section 131 of the Companies Act, 2013.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There have been no material changes affecting the financial position of the company taken place between the end of the financial year of the company to which financial statements relate and

the date of the report.

Your Directors state that no disclosure or reporting is required in respect of the following matters under the Companies Act, 2013 and SEBI Regulations either on account of absence of any transaction or inapplicability of provisions:

- Reporting of frauds(s) by auditors within meaning of Section 143 (12) of Companies Act 2013
- Disclosure pursuant to Section 43(1) read with Rule 4(4) of Companies (Share Capital and Debentures) rules, 2014 regarding issue of equity shares with differential rights.
- Details of any scheme providing money for the purchase of shares of the Company by Employees for the benefit of Employees.
- Issue of shares (including sweat equity shares) to employees of the company under any scheme

FOR AND ON BEHALF OF THE BOARD OF KARDA CONSTRUCTIONS LIMITED

Sd/-

NARESH KARDA
MANAGING DIRECTOR
(DIN: 01741279)

Sd/-

MANOHAR KARDA
WHOLE TIME DIRECTOR
(DIN: 01808564)

(Authorised to sign and serve vide Board Resolution dated 02.09.2020)

Date: September 02, 2020

Place: Nashik