# Karda Constructions Ltd.

**Registered Office :** 2nd Floor, Gulmohar Status, Above Business Bank, Samarth Nagar, Nashik, MH - 422005.
**Corporate Office :** Saikrupa Commercial Complex, Tilak Road, Muktidham, Nashik Road, Nashik - 422 101.
**Phone :** 0253 - 2465436 / 2351090, **Fax :** 0253 - 2465436, **Mail :** admin@kardaconstruction.com,
**Visit us :** www.kardaconstruction.com, **CIN No. :** L45400MH2007PLC174194

KARDA CONSTRUCTIONS
BUILDERS & DEVELOPERS


Date: 28.08.2019

| | |
|---|---|
| To,<br>The Manager,<br>The Department of Corporate Services ,<br>BSE Limited<br>Floor 25, P. J. Towers,<br>Dalal Street, Mumbai — 400 001 | To,<br>The Manager,<br>The Listing Department,<br>National Stock Exchange of India Limited,<br>Exchange Plaza, Bandra Kuria Complex,<br>Bandra( East),Mumbai-400 051 |

BSE Scrip Code: 541161
NSE Symbol: KARDA

Dear Sir/ Madam,

**Sub.: Intimation of the Notice of the Twelfth (12th) Annual General Meeting (AGM) of the Company at Nashik**

Dear Sir/ Madam,

In compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("LODR 2015"), we hereby inform you that the 12thAnnual General Meeting ("AGM") of Karda Constructions Limited ("the Company") will be held on Saturday, September 21, 2019 at 12.30 p.m. at BLVD Nashik at P-20, Trambakeshwar Road, MIDC, Satpur, Nashik-422007. The following Agenda items are proposed for the approval of the Shareholders at the ensuing AGM:

| Sr No | Details of proposed resolution | Ordinary/ Special resolution |
|---|---|---|
| 1 | To receive, consider and adopt the audited standalone financial statements of the Company for the Financial Year ended March 31, 2019, the report of the Board of Directors and Auditors thereon | Ordinary |
| 2 | To appoint a Director in place of Mrs. Disha Karda (DIN: 06424475), who retires by rotation and being eligible, offers herself for re-appointment | Ordinary |
| 3 | To ratify remuneration payable to the Cost Auditors, M/s. C Y & Associates for the Financial Year 2019-2020 | Ordinary |

Pursuant to the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, (substituted by the Companies (Management and Administration) Amendment Rules, 2015) and Regulation 44 of the LODR 2015, the Company is providing the facility to the members to exercise their votes electronically through electronic voting service facility ("remote e-voting"). Accordingly, for the purpose of determining the shareholders eligible to cast their votes electronically / physically, the Company has fixed Saturday,

KARDA CONSTRUCTIONS LIMITED U45400MH2007PLC174194

September 13, 2019 as the cut-off date. The Company has engaged the services of Link Intime India Pvt. Ltd. to provide the e-voting facility on instavote platform.

The Remote e-voting will commence on Tuesday, September 17, 2019 at 9.00 a.m. and end on Friday, September 20, 2019 at 5.00 p.m. The facility for voting, through Ballot Paper, will also be made available at the AGM and the members attending the AGM who have not already cast their votes by remote e-voting shall only be able to exercise their right at the AGM through ballot paper.

Further to inform you that pursuant to the Regulation 42 of the LODR, 2015, Register of Members and Share Transfer Books of the Company will remain closed from Saturday, September 14, 2019 to Saturday, September 21, 2019 (both days inclusive) for the purpose of Annual General Meeting (AGM).

We are enclosing herewith Notice of 12th AGM for the financial year 2018-19. We would also like to inform that the Company has dispatched the Annual Report on 28th August, 2019 to the Shareholders of the Company, whose names appeared in the Benpos dated 16th August, 2019.

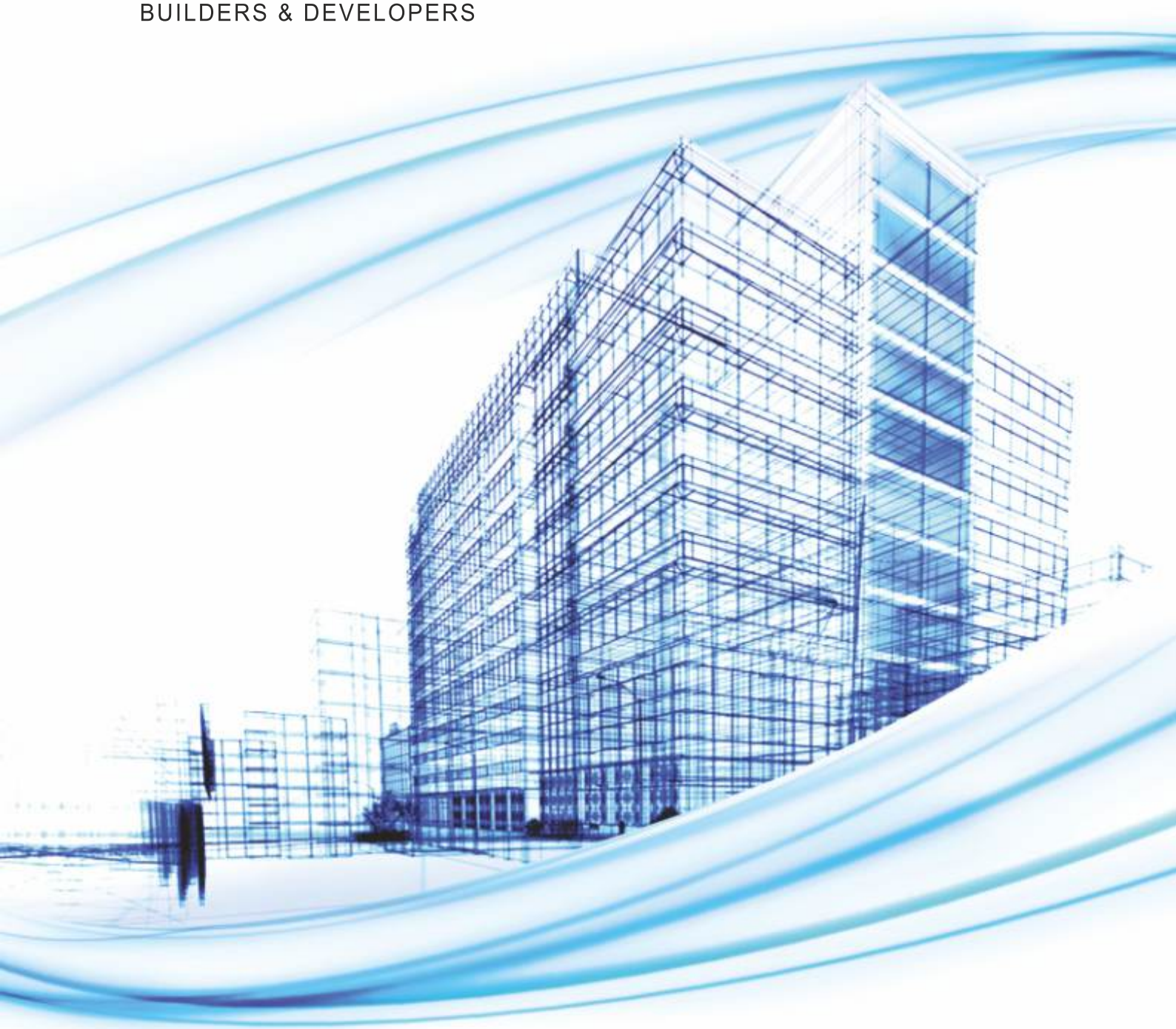
Kindly take the matter on your records and upload on your website for information of the Members.

Thanking you,
For Karda Constructions Limited

Mayura Marathe
Company Secretary
Mem No: ACS 44678

KARDA CONSTRUCITONS LIMITED
U45400MH2007 PLC174194

KARDA™
CONSTRUCTIONS
BUILDERS & DEVELOPERS



# KARDA CONSTRUCTIONS LIMITED

## Annual Report

## 2018-2019

Because a house isn't just a pile of Bricks



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## Chairman's letter to shareholders

Dear Shareholders,

On behalf of the Board of Directors of Karda Constructions Limited, I am happy to welcome you to the 12th Annual General Meeting of your company. Thank you for your continued support and goodwill that is crucial to the success of our company.

We have successfully completed the first financial year after listing. It gives me immense pride to share with you that your company has been successful in giving possession to 234 customers during the financial year. Till date your company has delivered more than 1000 units of its 20 completed projects. Further your company has launched two new projects named Hari Kunj Mayflower (Residential cum commercial project) (RERA Reg No: P51600020249) and Hari Laxmi (Residential project) with three phases (RERA Reg No Phase I: P51600004852, Phase II: P51600005165 and Phase III: P51600003727).

It's my pleasure to inform you that your company received an award from the Hon'ble Chief Minister of Maharashtra, Shri Devendra Phadnavisji in the category of "Affordable Homes - Capsule Homes" at the event of "Saluting the Icons of Real Estate" hosted by a renowned Publisher, MID-DAY, held at Mumbai for an Exemplary Contribution towards construction of Affordable homes in Nasik, under the Central Governments' PMAY Scheme. Also an award has been received for the "Outstanding Concrete Structures of Khandesh Region, Nasik" for the residential project "HARI VISHWA" (RERA Reg No: P51600001205) situated at Pathardi Phata, Behind Hotel Express Inn, Nasik-422010 at the event arranged by "ACCE (I), Nasik – UltraTech Awards - 2018" hosted by the Association of Consulting Civil Engineers (I), Nasik Center and UltraTech Cement Limited.

I am confident of our future as we move ahead. Our strength being the geographical spread in Nasik remains the same. Your company has carpet area of approximately 19,91,419 Sq ft to be developed under total 17 ongoing projects of the company. We have also diversified the business with entering into the field of works contracting. Presently your company has total works contract orders worth ₹153.91 Crore. Also the borrowing of the company has been reduced to ₹ 4697.56 Lakhs from ₹ 6696.23 Lakhs during the financial year.

For sustaining in the challenging environment we have taken special efforts on our sales and marketing department by announcing various promotional schemes.

Before I conclude, I would also like to thank other stakeholders, our clients, vendors and partners for their trust and support. I thank the governments, ministries and departments of state that we operate in, for their continued support.

And of course, I look forward to your continued support

and best wishes.

Thank you
With best wishes

Naresh Karda
Chairman & Managing Director



KARDA™ CONSTRUCTIONS
BUILDERS & DEVELOPERS

**ANNUAL REPORT**
**2018-2019**

# AWARDS & RECOGNITIONS


















# Company Information

Board of Directors

| Name | DIN | Designation |
|---|---|---|
| Naresh Jagumal Karda | 01741279 | Chairman & Managing Director |
| Manohar Jagumal Karda | 01808564 | Whole Time Director |
| Disha Naresh Karda | 06424475 | Director |
| Shweta Raju Tolani | 07575484 | Director |
| Rahul Kishor Dayama | 07906447 | Director |
| Sandeep Ravindra Shah | 06402659 | Director |

**Board Committees**

Audit Committee

| | |
|---|---|
| Rahul Kishor Dayama | Chairman |
| Shweta Raju Tolani | Member |
| Naresh Jagumal Karda | Member |

Shareholders/ Investor Grievance Committee

| | |
|---|---|
| Rahul Kishor Dayama | Chairman |
| Shweta Raju Tolani | Member |
| Disha Naresh Karda | Member |

Nomination & Remuneration Committee

| | |
|---|---|
| Shweta Raju Tolani | Chairperson |
| Rahul Kishor Dayama | Member |
| Sandeep Ravindra Shah | Member |

Corporate Social Responsibility

| | |
|---|---|
| Rahul Kishor Dayama | Chairman |
| Disha Naresh Karda | Member |
| Naresh Jagumal Karda | Member |



## Registered Office

2nd Floor, Gulmohar Status above Business Bank,

Samarth Nagar, Nashik -422005

Tel No: 253-2351090

Email Id:admin@kardaconstruction.com

Web Site:www.kardaconstruction.com

## Listed at

Bombay Stock Exchange Limited (Scrip Code: 541161)

National Stock Exchange (Code: Karda)

## Auditors

M/s JPL & Associates

Chartered Accountants

251,A-Wing , New JB Market , near Professional courier,

Jalgaon -425001

Contact Person: CA Vipul Lathi

## Compliance Officer

CS Mayura Marathe

2nd Floor, Gulmohar Status,

Above Business Bank,

Samarth Nagar, Nashik-422005

## Bankers

ICICI Home Finance Company Limited

State Bank Of India

Axis Bank Limited

Indiabulls Commercial Credit Limited

The Nasikroad Deolali Vyapari Sahakari Bank Ltd

The Navjeevan Co-operative Bank Limited

ECL Finance Limited

Central Bank of India

The Nashik Road Deolali Vyapari Bank

## Registrar Share Transfer Agent

Sharex Dynamic (India) Pvt. Ltd

Unit No. 1, Luthra Ind. Premises, 1st Floor, 44-E,

M. VasanjiMarg, AndheriKurla Road,

Safed Pool, Andheri (E), Mumbai,Maharashtra,400072

E-Mail Id: sharexindia@vsnl.com





## HARI SANSKRUTI

1, 2, 3 BHK Budget Homes

P51600001194



## HARI SANSKRUTI II

1 & 2 BHK Budget Homes

P51600000551



## HARI AAKRUTI

1&2 BHK Budget Homes Shops/Offices

P51600000423



## HARI SIDDHI

1 & 2 BHK Budget Homes

P51600009519



## HARI NAKSHATRA | DESTINATIONE Shopping Mall

2, 3, 4 BHK Luxury Homes

P51600012149| P51600006285
P51600006359



## HARI BHAKTI

2, 3, 4 BHK Premium Homes/ Shops/ Offices

P51600000585



## HARI GOKULDHAM

1, 2 BHK Budget Homes

P51600000323



## HARI KUNJ Mayflower

2, 3 BHK Luxury Homes/ Shops

P51600020249



## HARI ANANDVAN

1, 2 BHK Divine Homes

P51600015577



## HARI LAXMI

1 & 2 BHK Premium Homes

P51600004852



## HARI SAGAR

2, 3 BHK Luxurious Homes

P51600000630



## HARI OM II

1,2, 3 BHK Premium Homes

P51600000414

# NOTICE

Notice is hereby given that the 1**2th** Annual General Meeting of the members of **KARDA CONSTRUCTIONS LIMITED** will be held **on Saturday, 21st September, 2019** at **BLVD Nashik at P-20, Trambakeshwar Road, MIDC, Satpur, Nashik-422007** at 12.30 p.m. to transact the following business as ordinary business:

**Ordinary Businesses:-**

1. **To receive, consider and adopt the audited standalone financial statements of the Company for the Financial Year ended March 31, 2019, 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 on 31st March 2019, Audited Profit and Loss Account for the period from 1st April 2018 up to 31st March 2019 and Reports of Auditors and Directors thereon be and are hereby considered and adopted."

2. **To appoint a Director in place of Mrs. Disha Karda (DIN: 06424475), who retires by rotation and being eligible, offers herself 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), Mrs. Disha Karda (DIN: 06424475), who retires by rotation and being eligible offers herself 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 2019-2020**

   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 2019-2020 as approved by the Board of Directors of the Company, at its Meeting held on 29th May, 2019, 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."

Kindly make it convenient to attend the meeting.

Thanking You,

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

**MAYURA MARATHE**
**COMPANY SECRETARY**
**MEMBERSHIP NO: ACS-44678**
**(Authorised to sign and serve vide Board Resolution dated 13.08.2019)**

Date: 13th August, 2019
Place: Nashik

## NOTES

- This Annual General Meeting is called in accordance with the provisions of Section 96 (1) and Section 96 (2) of the Companies Act, 2013.

- Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at this AGM, is annexed hereto.

- **Any member of a company entitled to attend and vote at a meeting of the company is entitled to appoint another person as a proxy (or where that is allowed, one or more proxies) to attend and vote at the meeting on his behalf. The instrument appointing proxy should be deposited to the Company, not less than forty - eight hours before the commencement of the meeting in relation to which they are deposited.**

**A person can act as proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the company carrying voting rights. Provided that a member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder. Proxy need not be a Member of the Company.**

- Attendance slip, proxy form and the route map of the venue of the meeting are annexed hereto.

- Corporate members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board resolution to the company or upload it on the E voting portal, authorising their representative to attend and vote on their behalf at the meeting.

- Member/ proxies/ authorised representatives should bring the duly filled attendance slip enclosed herewith to attend the meeting.

- During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged, at any time during the business hours of the company, provided not less than three days' notice in writing of the intention so to inspect is given to the company.

- The register of Directors and Key Managerial personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested maintained under Section 189 of the Act, will be available for inspection by the members at the AGM.

- This notice is being given to every member of the company, every director of the Company and Auditors of the Company, at the addresses provided them in India. Any accidental omission to give notice to, or the non-receipt of such notice by, any member or other person who is entitled to this notice, shall not invalidate the proceedings of the meeting.

- In terms of the provision of Section 152 of the Act, Mrs. Disha Karda (DIN: 06424475) director retires by rotation at the meeting. Nomination and Remuneration committee and board of director of the company commend her reappointment.

- Mrs. Disha Karda (DIN: 06424475) is interested in the ordinary resolution set out in the item no 2 of the notice with regards to her re appointment. Mr. Naresh Karda, Chairman & Managing Director (DIN: 01741279) may be deemed to be interested in the resolution set out in the Item No 2. Save and except the above none of the other directors / Key Managerial personnel of the company/ their relatives are in any way concerned or interested, financially or otherwise in ordinary Business set out under Item No.2.

- The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual general meeting is done away with vide notification dated 7, 2018 issued by Ministry of Corporate Affairs. Accordingly, no resolution is proposed for ratification of Appointment of Auditors M/s. J P L and Associates ,Chartered Accountants, (FRN: 132748W) who were appointed in Annual General meeting held on September 29, 2018.

- In compliance with Section 108 of the Companies Act ,2013 read with corresponding rules and Regulation 44 of the

SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015,( "the Listing Regulations") , the company has provided a facility to its members to exercise their votes electronically through the electronic voting (e-voting) services facilitated by the Link Intime India Private Limited. The facility for voting will also be made available at the AGM and members attending the AGM, who have not already caste their votes by remote e-voting shall be liable to exercise their right at the AGM. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again. The instructions for e-voting are annexed to the notice.

- Voting through Electronic Means

**Log-in to e-Voting website of Link Intime India Private Limited (LIIPL)**

1. Visit the e-voting system of LIIPL. Open web browser by typing the following URL: https://instavote.linkintime.co.in.
2. Click on "Login" tab, available under 'Shareholders' section.
3. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".
4. Your User ID details are given below:

- **Shareholders holding shares in demat account with NSDL:** Your User ID is 8 Character DP ID followed by 8 Digit Client ID
- **Shareholders holding shares in demat account with CDSL:** Your User ID is 16 Digit Beneficiary ID
- **Shareholders holding shares in Physical Form (i.e. Share Certificate):** Your User ID isEvent No + Folio Number registered with the Company

5. Your Password details are given below:
   If you are using e-Voting system of LIIPL: https://instavote.linkintime.co.in for the first time or if you are holding shares I physical form, you need to follow the steps given below:

   Click on "Sign Up" tab available under 'Shareholders' section register your details and set the password of your choice and confirm (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).

| | For Shareholders holding shares in Demat Form or Physical Form |
|---|---|
| PAN | Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders).<br>▪ Members who have not updated their PAN with depository Participant or in the company record are requested to use the sequence number which is printed on Ballot Form / Attendance Slip indicated in the PAN Field |
| DOB/ DOI | Enter the DOB (Date of Birth)/ DOI as recorded with depository participant or in the company record for the said demat account or folio number in dd/mm/yyyy format. |
| Bank Account Number | Enter the Bank Account number (Last Four Digits) as recorded in your demat account or in the company records for the said demat account or folio number.Please enter the DOB/ DOI or Bank Account number in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio number in the Bank Account number field as mentioned in instruction (iv-c). |

If you are holding shares in demat form and had registered on to e-Voting system of LIIPL: https://instavote.linkintime.co.in, and/or voted on an earlier voting of any company then you can use your existing password to login.

**If Shareholders holding shares in Demat Form or Physical Form have forgotten password:**

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

Incase shareholder is having valid email address, Password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (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)

**NOTE:** The password is to be used by demat shareholders for voting on the resolutions placed by the company in which they are a shareholder and eligible to vote, provided that the company opts for e-voting platform of LIIPL.

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

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

**Cast your vote electronically**

1. After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View "Event No" of the company, you choose to vote.

2. On the voting page, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting. 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'. You may also choose the option 'Abstain' and the shares held will not be counted under 'Favour/Against'.

3. If you wish to view the entire Resolution details, click on the 'View Resolutions' File Link.

4. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, 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.

5. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

6. You can also take the printout of the votes cast by you by clicking on "Print" option on the Voting page.

**General Guidelines for shareholders:**

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIIPL: 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.

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

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

- In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions ("FAQs") and Instavote e-Voting manual available at https://instavote.linkintime.co.in, under Help section or write an email to enotices@linkintime.co.in or Call us :- Tel : 022 - 49186000.

- The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Thursday, 14th September, 2019, are entitled to vote on the Resolutions set forth in this Notice.

- The remote e-voting period will commence at 9.00 a.m. on Tuesday, 17th September, 2019 and will end at 5.00 p.m. on Friday, 20th September, 2019. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 12th September,2019, may cast their vote electronically. The e-voting module shall be disabled by LIIPL 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 voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 14th September, 2019.

  Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 14th September,2019, may obtain the login ID and password by sending an email to enotices@linkintime.co.in by mentioning their Folio No. /DP ID and Client ID No. However, if you are already registered with LIIPL for remote e-voting then you can use your existing user.

- A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date only shall be entitled to avail the facility of remote e-voting or voting at the meeting through ballot papers.

- 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.

- The Scrutinizer shall, immediately after the conclusion of voting at general meeting, count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company. Scrutinizer shall within 3 days of conclusion of the meeting submit a consolidated scrutiniser report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing.

- The results along with the Scrutinizers Report shall be placed on the website of the Company and on the website of LIIPL.

- We urge members to support our commitment to environmental protection by choosing to receive the Company's communication through email. You can do this by updating your mail address with your depository participant.



# 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 2019-2020 & to consider and if thought fit, to pass, with or without modification(s), the following resolution as 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.

The Board, on the recommendation of the Audit Committee, has approved at their Meeting held on May 29, 2019 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. 4 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.

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.

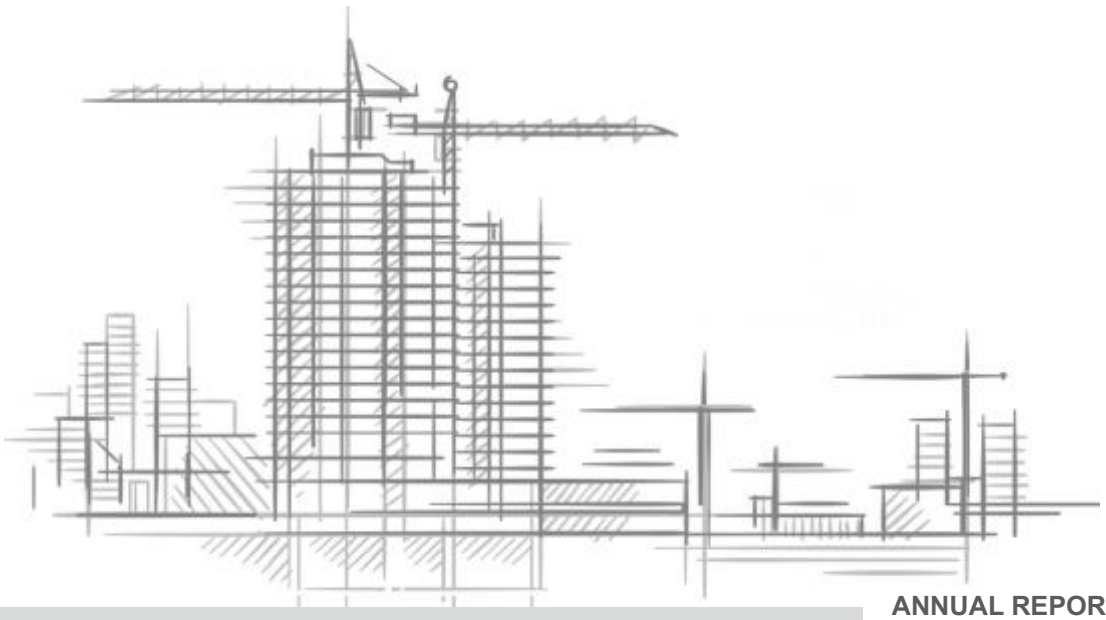
**BY THE ORDER OF THE BOARD OF DIRECTORS**
**FOR KARDA CONSTRUCTIONS LIMITED**

**MAYURA MARATHE**
**COMPANY SECRETARY**
**MEMBERSHIP NO: ACS 44678**
**(Authorised to sign and serve vide Board Resolution dated 13.08.2019)**

Date: 13th August, 2019 Place: Nashik

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

| **Disha Naresh Karda** | |
|---|---|
| **Age (Years)** | **45 yrs** |
| **EducationalQualification** | **B Com , B Ed** |
| **Experience/ Expertise/ Brief Resume** | She has a total experience of total 12 years in the field of Real Estate Industry. She has been associated with company in various capacities.<br>Presently oversees the day-to-day operation, which includes managing committees and staff as well as developing business plans in collaboration with the board of the company .Also responsible for making sure that contracts, insurance requirements and safety standards are correctly complied with. |
| **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 August 29, 2017, is now liable to retire by rotation. |
| **Remuneration last drawn (including sitting fees if any)** | Remuneration drawn of Rs. 12 Lakh p.a. for FY 2018-2019.<br>No sitting fees have been paid during the FY 2018-2019. |
| **Remuneration proposed to be paid** | As per existing approved terms and Conditions |
| **Date of appointment on the board** | February 26,2016 |
| **Relationship with other Directors / Key Managerial Personnel (KMP** | Spouse of Mr. Naresh Jagumal Karda (DIN: 01741279) , Chairman & Managing Director |
| **Directorships and No. of Membership of Committees in other entities as on March 31, 2019** | NA |
| **Shareholding as on March 31,2019** | 2,50,000 Equity shares |



# DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting the 12th Annual Report together with audited statement of accounts of the Company for the year ended on 31stMarch 2019.

## FINANCIAL RESULTS

The financial performance of your Company for the year ended March 31, 2019 is summarized below:-

(Amounts in Lakhs)

| Particulars | 2018-2019 | 2017-2018 |
|---|---|---|
| Total Revenue | 10,873.75 | 13,455.23 |
| Expenses | 7,534.71 | 9,498.67 |
| Earnings before interest and tax | 3,339.04 | 3,956.55 |
| Finance Cost | 1,707.76 | 2,040.03 |
| Depreciation | 27.82 | 29.78 |
| **Profit Before Tax** | **1,603.46** | **1,886.75** |
| Tax Expenses: | | |
| Current Tax | 395 | 583.20 |
| Deferred Tax | (1.28) | (1.75) |
| **Net Profit for the period** | **1,209.75** | **1305.30** |
| Items that will not be subsequently reclassified to profit or loss | (7.40) | (3.90) |
| **Total Comprehensive Income for the period** | **1,202.35** | **1301.40** |
| Earnings per share (EPS) | | |
| Basic EPS | 9.78 | 12.77 |
| Diluted EPS | 9.78 | 12.77 |

During the Financial Year 2018-19, revenue from operations is Rs. 10529.66 Lakhs as compared to Rs. 12,679 Lakhs during the previous year. Profit after tax for the financial year is Rs. 1202.35 Lakhs as compared to profit of Rs.1301.40 of previous year

## CONSOLIDATED FINANCIAL STATEMENT

This statement is prepared on the basis of the standalone financial statements of the Company. Accordingly 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.

## PRESENTATION OF FINANCIAL STATEMENTS

The financial statements of the Company for the year ended 31st March, 2019 have been disclosed as per Schedule III to the Companies Act, 2013.

## STATE OF COMPANY'S AFFAIRS

### Company's Status

The company was incorporated in Nashik, India under the Companies Act, 1956 on 17th September, 2007, as an Indian non–Government Company limited by shares. The company was converted into Public Limited Company in March, 2016.

The company's securities got listed on NSE and BSE and trading of such securities started w.e.f 2nd April, 2018. Hence presently status of the company is an Indian non–Government, Listed Public Limited Company limited by shares.

### Share Capital

- **Present Share Capital**

  At present the Authorised Share capital of the company is Rs.14,00,00,000/- (Rupees Fourteen Crores Only) comprising of 1,40,00,000 (One Crore Forty Lakhs) equity shares of Rs. 10/- each (Rupees Ten Only). While the paid up share capital of the company is Rs.12,30,00,000/- (Rupees Twelve Crores Thirty Lakhs )comprising of 1,23,00,000 (One Crore Twenty Three Lakhs ) equity shares of Rs. 10/- each (Rupees Ten Only).

- **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.

## 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.

## PRINCIPAL BUSINESS ACTIVITY

The Principal Business activity of the Company Includes to carry on the business of promoters, developers , engineers , contractors and builders of and to purchase, sell, resell, give or take on lease or rent , layout, construct, build, erect, demolish, re-erect, alter , repair, remodel, commercial, industrial premises and residential houses of every type , housing societies, flat scheme, apartment ,commercial buildings, offices, factories, warehouses, shops, go downs , farmhouses, markets, schools, hotels, motels, theatres, hospitals, recreation centers and to undertake all types of contract entailing Build Operate Transfer(BOT) or Build Operate Lease Transfer(BOLT) of roadways, national highways, bridges, flyovers, sewers, canals, docks, wells, springs, dams racecourses, watercourses, reclamation , water parks, irrigation schemes, entertainment complex., industrial complexes, harbours, power plants, reservoirs, embankments and/or of construction, structural or architectural work of any kind whatsoever in India or Abroad and for that purpose to acquire , purchase, assets, liabilities, shares of any company , firm, corporation engaged in similar business and to develop land, buildings and other properties.

**FUTURE OUTLOOK**

The core business activities of the company are Real Estate Development-Residential Projects and Residential Projects cum office space and Construction Contracts. The company has recently entered into field of Construction work for Government contract.

Company has planned upcoming projects named Hari Vihar and Hari Nisarg, both to be developed in Joint Venture agreement and to be built in 58,148 Sq Ft and 15,216 Sq Ft respectively.

Presently Company has registered total 17 projects with MAHARERA authority. Company's all Ongoing and Upcoming Projects are concentrated in and around Nashik. Company has launched two new residential cum commercial projects Hari Kunj Mayflower (RERA reg No. P51600020249) and Hari Krishna Phase IV (RERA Reg No. P51600020324) to be built in joint development in Carpet area of 58,555 Sq Ft and 27,986n Sq Ft respectively.

Also during the year company has received two new construction work orders. First being order received from Viva Highways Ltd (Group Company of Ashoka Buildcon) for Excavation, Plastering & Waterproofing work for Ashoka Business Conclave Building of ₹ 10.34 Crores and second of construction of 115 Police quarters head quarter, City Police Station cum S.D.P.0. office for S.P. Buldhana at Buldaha District Buldhana from Maharashtra State Police Housing & Welfare Corpn Ltd of ₹ 38.84 Crores. With this following are the details of total orders of contract for Construction work in hands of the company:

| **Particulars** | **Total Contract Amount (Amt in Crs)** |
|---|---|
| Construction of 28 Single Bedroom Flats in Sector – I at Curti, Ponda | 4.01 |
| Construction of 16 Duplex Bungalows in Sector S at Farmagudi, Ponda | 6.5 |
| Construction of Market Complex cum Community Centre in Survey no. 118, Zuarinagar at Sancoale village | 3.80 |
| Finishing & Public Health Engineering (PHE) Works for Residential Building (2 nos. of 1 BHK & 2 Nos. of 2 BHK) & PHE works for Industrial Building (A2, A3, A4), Internal & allied Peripheral Works | 16.17 |
| Construction of 100 Bedded M.C.H. Wing at District Hospital Nashik | 10.40 |
| Reconstruction of bus station with Sub works at Shahapur , Thane | 3.70 |
| Works contract from Shree Sainath Land and Development (India) Pvt Ltd | 60.15 |
| Viva Highways Ltd (Group company of Ashoka Buildcon) for Excavation, Plastering & Waterproofing work for Ashoka Business Conclave Building | 10.34 |
| Construction of 115 Police quarters head quarter, City Police Station cum S.D.P.0. office for S.P. Buldhana at Buldaha District Buldhana | 38.84 |
| **Total** | 153.91 |

Company plans to get more construction work orders. As it helps to achieve steady monthly revenue. This makes it much easier to grow a business. Also, it's advantageous to have this ongoing workflow during slower months of business.

Company will continue to focus on Brand reliability, trustworthiness and timely delivery. As these are important factors considered by customers

Customers of affordable housing are highly value conscious and since the focus is more on developer credibility. Hence customer preferences would be on the forefront.

The affordable home segment offers great potential which is yet to be fully explored. This segment will definitely perform better when affordable housing projects 'on-ground', while catering to the needs of customers on security, safety and lifestyle attributes, are successfully executed and energies stay focused on delivering these within the promised cost and timeframes.

The company will try to meet on continuous basis the changing needs of clients by delivering quality services. The company intends continue to carry on to use a knowledge-based approach from internal and external sources in making land acquisition, development and lease/sales decisions for future development.

**CHANGE IN THE NATURE OF BUSINESS**

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

**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 2019. 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.

**DIRECTORS**

**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

| Sr No. | Name of the Director | DIN | Designation |
|---|---|---|---|
| 1 | Naresh Jagumal Karda | 01741279 | Managing Director |
| 2 | Manohar Jagumal Karda | 01808564 | Whole time director |
| 3 | Disha Naresh Karda | 06484475 | Director |
| 4 | ShwetaRajuTolani | 07575484 | Non- Executive Independent Woman Director |
| 5 | Rahul Kishor Dayama | 07906447 | Non- Executive Independent Director |
| 6 | Sandeep Ranindra Shah | 06402659 | Non- Executive Independent Director |

**Responsibilities & Functions of Board of Directors**

The Board of Directors of the listed entity shall have the following responsibilities:

Disclosure of information:

Members of Board of Directors and key managerial personnel shall disclose to the Board of directors whether they, directly, indirectly, or on behalf of third parties, have a Material interest in any transaction or matter directly affecting the listed entity.

The Board of Directors and senior management shall conduct themselves so as to meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture of good decision-making.

**Key functions of the Board of Director**

Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans, setting performance objectives, monitoring implementation and corporate performance, and overseeing major capital expenditures, acquisitions and divestment.

Monitoring the effectiveness of the listed entity's governance practices and making changes as needed.

- Selecting, compensating, monitoring and, when necessary, replacing key managerial Personnel and overseeing succession planning.
- Aligning key managerial personnel and remuneration of board of directors with the longer term interests of the listed entity and its shareholders.
- Ensuring a transparent nomination process to the board of directors with the diversity of thought, experience, knowledge, perspective and gender in the board of Directors.
- Monitoring and managing potential conflicts of interest of management, members of the Board of Directors and shareholders, including misuse of corporate assets and abuse in related party transactions.
- Ensuring the integrity of the listed entity's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.
- Overseeing the process of disclosure and communications.
- Monitoring and reviewing Board of Director's evaluation framework.

**Other responsibilities**

- The Board of Directors shall provide strategic guidance to the listed entity, ensure effective monitoring of the management and shall be accountable to the listed entity and the shareholders.
- The Board of Directors shall set a corporate culture and the values by which executives throughout a group shall behave.
- Members of the Board of Directors shall act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the listed entity and the shareholders.
- The Board of Directors shall encourage continuing directors training to ensure that the members of Board of Directors are kept up-to-date.
- Where decisions of the Board of Directors may affect different shareholder groups differently, the Board of Directors shall treat all shareholders fairly.
- The Board of Directors shall maintain high ethical standards and shall take into account the interests of stakeholders.

- The Board of Directors shall exercise objective independent judgment on corporate affairs.
- The Board of Directors shall consider assigning a sufficient number of non- executive members of the Board of Directors capable of exercising independent judgment to tasks where there is a potential for conflict of interest.
- The Board of Directors shall ensure that, while rightly encouraging positive thinking, these do not result in over-optimism that either leads to significant risks not being recognized or exposes the listed entity to excessive risk.
- The Board of Directors shall have ability to 'step back' to assist executive management by challenging the assumptions underlying: strategy, strategic initiatives (such as acquisitions), risk appetite, exposures and the key areas of the listed entity's focus.
- When committees of the Board of Directors are established, their mandate, composition and working procedures shall be well defined and disclosed by the Board of Directors.
- Members of the Board of Directors shall be able to commit themselves effectively to their responsibilities.
- In order to fulfill their responsibilities, members of the Board of Directors shall have access to accurate, relevant and timely information.
- The Board of Directors and senior management shall facilitate the independent Directors to perform their role effectively as a member of the Board of Directors and also a member of a committee of Board of Directors.

**Meetings of the board**

During FY 2018-2019, twenty four meetings of the Board of Directors were held on the following dates:

| | | | | | |
|---|---|---|---|---|---|
| April 2,2018; | April 9,2018; | May 11,2018; | May 28,2018; | June 14,2018; | July 2,2018; |
| August 3,2018; | August 10,2018; | August 13,2018; | August 23,2018; | September 26,2018; | September 29,2018; |
| October 1,2018, | October 16,2018; | November 1,2019; | November 13,2018; | November 20,2018; | December 17,2018; |
| January 1,2019, | January 24,2019; | January 30,2019; | February 14,2019; | February 26,2019; | March 20,2018. |

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.

**Woman Director**

In accordance with the second proviso o 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.

**Retirement by rotation**

In accordance with article 77 and section 152 of the Companies Act, 2013 Mrs. Disha Naresh Karda (DIN: 06424475), whole time director retires by rotation and being eligible offers herself for reappointment.

**Directors Remuneration Policy**

The Board on the recommendation of the Nomination and Remuneration Committee has framed a Remuneration policy, providing criteria for determining qualifications, positive attributes, independence of a Director and a policy on remuneration for Directors, key managerial personnel and other employees. The detailed Remuneration policy is appended as **Annexure I**. Also the same has been placed on the Company's website ie www.kardaconstruction.com.

**Familiarization of Independent Directors**

Report on Corporate Governance, which forms a part of this Annual report contains the details of Familiarisation programme for Independent directors to be conducted as per SEBI (LODR) Regulations, 2015, to familiarise them with their role, rights and responsibility as Directors, the working of the Company, nature of the industry in which the Company operates, business model etc.

**BOARD EVALUATION**

The annual evaluation process of the Board of Directors ("Board"), Committees and individual Directors was carried out in the manner prescribed in the provisions of the Act, Guidance Note on Board Evaluation issued by Securities and Exchange Board of India on January 5, 2017 and as per the Corporate Governance requirements prescribed by SEBI Listing Regulations.

The performance of the Board, Committees and individual Directors was evaluated by the Board seeking inputs from all the Directors. The performance of the Committees was evaluated by the Board seeking inputs from the Committee Members.

The "NRC" reviewed the performance of the individual Directors, a separate meeting of Independent Directors was also held to review the performance of Non-Independent Directors; performance of the Board as a whole and performance of the Chairman and Managing Director of the Company, taking into account the views of Executive Directors and Non-Executive Directors. Also NRC assessed the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

This was followed by a Board meeting that discussed the performance of the Board, its Committees and individual Directors.
The NRC adopted following aspects as criteria for performance evaluation of the board:

Composition of the board

a. Effectiveness of Board processes, information and functioning

b. Effectiveness of Internal control

c. Effectiveness of implementation policies, strategies and business plans by board

The criteria for performance evaluation of Committees of the Board included following aspects:

a. Composition and structure of the Committees

b. Functioning of Committee meetings

c. Contribution to decision of the Board

The criteria for performance evaluation of the individual Directors included following aspects:
a. Contribution to the Board and Committee meetings

b. Attendance for Board and committee meetings

c. Constructive contribution

d. Inputs in meetings integrity etc

e. In addition, the Chairman was also evaluated on the key aspects of his role.

**DIRECTORS' INTEREST IN THE COMPANY**

Sometime, the Company does enter into contracts with companies in which some of the Directors of the Company are interested as director or member. However, these contracts are in the ordinary course of the Company's business without giving any specific weight age to them. Directors regularly make full disclosures to the Board of Directors regarding the nature of their interest in the companies in which they are directors or members. Full particulars of contracts entered with companies in which directors are directly or indirectly concerned or interested are entered in the Register of Contracts maintained under Section 189 of the Companies Act, 2013 and the same is placed in every Board Meeting for the noting of the Directors.

**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, 2019 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, 2019.

- 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 2018-19.

**MANAGEMENT DISCUSSION & ANALYSIS AND CORPORATE GOVERNANCE REPORT**

The Corporate Governance Report and the Management Discussion and Analysis Report which forms part of this Report are appended as Annexure III and V respectively. The Company has obtained a Certificate from practicing company secretary confirming compliance with conditions of the Code of Corporate Governance as stipulated in Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including amendments thereof) and the same is appended as Annexure IV which forms part of this Report.

**KEY MANAGERIAL PERSONNEL**

The following persons were the KMP as on 31st March, 2019 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 | Anil Chandulal Nahata | Chief Financial Officer |
| 4 | Mayura Dinesh Marathe | Company Secretary and Compliance Officer |

**AUDITORS**

M/S JPL & Associates, Chartered Accountants (FRN:132748W) have been appointed as statutory auditor in the Annual General Meeting held on 29th September, 2018 from the conclusion of the meeting till the conclusion of fifth Annual General meeting of the Company to be held in the year 2023.

**Auditors Report**

The observations and comments furnished by the Auditors in their report read together with the notes to Accounts are self- explanatory and hence do not call for any further comments under Section 134 of the Companies Act, 2013.

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

The auditor has mentioned following disputes pending with revenue authorities in the audit report:

**(Amounts in Lakhs)**

| Sr. No. | Nature of Statute | Details | Period | Demand Amount | Amount Paid | Forum where dispute is pending |
|---|---|---|---|---|---|---|
| 1 | Income Tax Act, 1961 | Demand u/s 143(3) | A Y 2014-15 | 1.50 | 1.50 | Income Tax Appellate |
| 2 | Income Tax Act, 1961 | Demand u/s 143(3) | A Y 2015-16 | 36.13 | 36.13 | Tribunal (ITAT) |

**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.

**INTERNAL FINANCIAL CONTROLS**

The company ensures orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information. The Company reviews the financials periodically and takes suitable / corrective measures, if necessary.

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

The directors further state that during the year under review, there were no cases filed, pursuant to the Sexual Harassment of Women at Workplace Prevention, Prohibition And Redressal ) Act, 2013 and rules made thereunder.

**RISK MANAGEMENT**

- The Company has a Risk Management Policy, though the same is not mandatory as per SEBI Listing Regulations, 2015, which has been adopted by the Board of Directors, currently, the Company's risk management approach comprises of governance, identification & assessment of risk. The risks have been prioritized through a Companywide exercise. Members of Senior Management have undertaken the ownership and are working on mitigating the same through co-ordination among the various departments, insurance coverage, security policy and personal accident coverage for lives of all employees.

- The Company has put in place the risk management framework, which helps to identify various risks cutting across its business lines. The risks are identified and are discussed by the representatives from various functions. Risk Officer will make a presentation periodically on risk management to the Board of Directors and the Audit Committee. The Board and the Audit Committee provide oversight and review the risk Management policy periodically.

- There are no such elements of risk which in the opinion of the board may threaten the existence of the company.

**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) | |
|---|---|---|---|
| | | Current FY | Previous FY |
| a | Foreign Exchange Earnings | Nil | Nil |
| b | Value of Direct imports | Nil | Nil |
| c | Expenditure in foreign currency | Nil | Nil |

**EXTRACT OF THE ANNUAL RETURN**

The extract of annual return in accordance with section 134 (3) (a) read with section 92 (3) and rule 12 of Companies (Management and Administration) Rules, 2014, in the form MGT-9 is furnished in Annexure II and attached to this report.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

The particulars of contracts or arrangements made with related parties made pursuant to section 188 of the Companies Act, 2013, in form AOC-2 are given in Annexure IV.

**LOANS, INVESTMENT AND GUARANTEES BY THE COMPANY**

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, 2019for loans given is Rs. 2229.19 and corporate Guarantee given is Rs. 9055.73Lakhs.

| PARTICULARS | AMOUNT (IN LAKHS) |
|---|---|
| Loans given | Nil |
| Guarantee Given | 9055.73 |
| Investments made | Nil |

| LOANS, GUARANTEE GIVEN AND INVESTMENTS MADE DURING THE FINANCIAL YEAR 2018-2019 | | | | |
|---|---|---|---|---|
| Name of the Entity | Relation | Amount | Particulars of loan, guarantee given and investments made. | Purpose for which the loans, guarantees and investments are proposed to be utilized |
| Shree Sainath Land & Development (India) Private Limited | Mr. Naresh Karda (CMD) & Mr. Manohar Karda (WTD) are common directors | Rs. 9055.73 Lakhs | Guarantee given | Loans are utilised by the borrowing company ie Shree Sainath Land & Development (India) Private Limited for its principal business activities |

The company has complied with the provision of Section 186 (3) by passing the special resolution.

**SIGNIFICANT AND MATERIAL ORDERS**

No significant material orders were passed by the regulators or courts or tribunals impacting the going concern status of the company and the company's operations in thefuture.

**REVISION OF FINANCIAL STATEMENTS 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.

**CORPORATE SOCIAL RESPONSIBILITY**

Disclosure of composition of corporate social responsibility (CSR) committee, contents of CSR policy is mentioned in Annexure VI.

**VIGIL MECHANISM & WHISTLE BLOWER POLICY**

The company has established vigil mechanism for the directors and employees to report their genuine concerns or grievances, details of adequate safeguards provided against victimisation of employees and directors who avail of the vigil mechanism, mechanism of providing for direct access etc, as provided in rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, read with corresponding rules, circulars, notifications, orders and amendments thereof.

**INTERNAL AUDITORS**

The Company has appointed CA Girish R Lasi having Membership No. 158144 as an internal auditor in accordance with section 138 of the Companies Act, 2013 read with Rule 13 of the Companies (Accounts) Rules, 2014 for the financial year 2018-19.

**SECRETARIAL AUDITORS**

Mr. Dhruval kumar Baladha (Mem No 38103), Practicing Company secretary has been appointed as Secretarial Auditor of the Company in the Board meeting held on May 29, 2019. Secretarial Audit Report is appended in **annexure IX**. Secretarial Audit Report given by Secretarial Auditor of the company mentioned does not state any qualification.

**COST AUDITORS**

M/s C Y & Associates are appointed as cost auditors of the company for the Financial Year 2019-20 subject to ratification at the ensuing Annual General meeting of thecompany.

**RATIO OF REMUNERATION OF EACH DIRECTOR TO THE MEDIAN REMUNERATION OF EMPLOYEES ETC**

Disclosure of ratio of remuneration of each director to the median remuneration of employees and other details as provided in section 197 (12) read with schedule V of the Companies Act 2013 and rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in **Annexure VIII**.

**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**

Following material changes and commitments affecting the financial position of the company have occurred between the end of the financial year of the company to which the financial statements relate and the date of this report-

Mr. Dhruvalkumar Baladha, Practicing Company secretary has been appointed as Secretarial Auditor of the Company in the Board meeting held on May 29, 2019.

## ACKNOWLEDGEMENT

Your directors place on record their sincere thanks to the customers, employees, bankers, business associates, consultants, and various authorities for their continued support extended to the company.

**BY ORDER OF THE BOARD**
**FOR KARDA CONSTRUCTION LIMITED**

**NARESH KARDA**
**CHAIRMAN & MANAGING DIRECTOR**
**(DIN: 01741279)**

**MANOHAR KARDA**
**WHOLE TIME DIRECTOR**
**(DIN: 01808564)**

**(Authorised to sign and serve vide Board Resolution dated 13.08.2019)**

Date: 13th August, 2019

Place: Nashik

# ANNEXURE – I NOMINATION AND REMUNERATION POLICY

**INTRODUCTION**

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013.

This policy is for the nomination and remuneration of Directors, Key Managerial Personnel, Senior Management and Other Employees has been formulated by the Nomination and Remuneration Committee (Hereinafter referred to as "NRC" or "the Committee") and has been approved by the Board of Directors.

The Nomination and Remuneration Policy of **'Karda Constructions Limited'** (Hereinafter referred to as "the Company") is designed to attract, motivate, improve productivity and retain manpower, by creating a congenial work environment, encouraging initiatives, personal growth and team work, and inculcating a sense of belonging and involvement, besides offering appropriate remuneration packages and superannuation benefits. The policy reflects the Company's objectives for good corporate governance as well as sustained long term value creation for shareholders.

**DEFINITIONS**

**"Remuneration"** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961 and other statutory benefits;

**"Key Managerial Personnel"** means key managerial personnel shall include as defined under the Companies Act, 2013

1. The Chief Executive Officer or the managing director or the manager;
2. The Company Secretary;
3. The Whole-Time Director;
4. The Chief Financial Officer;
5. Any other person appointed as the Key Managerial Personnel by the Board of Directors of the Company

**"Senior Managerial Personnel** "means the personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all functional heads or Head of the Divisions.

**APPLICABILITY**

This Policy applies to directors, senior management including its Key Managerial Personnel (Hereinafter referred to as "KMP") and other employees of the Company.

**GUIDING PRINCIPLE**

The guiding principle is that the nomination, terms of employment and remuneration should effectively help in attracting and retaining committed and competent personnel.

While designing remuneration packages, industry practices and cost of living are also taken into consideration.

**(1) NOMINATION:**

**(A) Directors:**

The appointment of the Non-Executive and Independent Directors are subject to the recommendation of NRC and approval of the Board of Directors and Shareholders. The Company shall comply with the provisions of the Companies Act, 2013 and the related rules framed thereunder, from time to time, for appointment of the Managing Director, Executive Director and Independent Directors.

**(B) Key Managerial Personnel (KMP):**

Appointment and removal of KMP are subject to the approval of the NRC and the Board of Directors.

**(C) Senior Management:**

The Managing Director is authorised to make appointment and removal of senior management personnel. The same will be reported to the Board in the next Board Meeting.

**(D) Other employees:**

Other employees will be appointed by the Managing Director from time to time.

**(2) REMUNERATION:**

The NRC while designing the remuneration package considers the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate the person to ensure the quality required to run the company successfully.

The NRC while considering a remuneration package must ensure a balance between fixed and performance linked variable pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

The NRC considers that a successful Remuneration Policy must ensure that some part of the remuneration package is linked to the achievement of corporate performance targets and a strong alignment of interest with stakeholders.

**REWARD PRINCIPLES AND OBJECTIVES**

The Company's Remuneration Policy is guided by a reward framework and set of principles and objectives as more fully and particularly envisaged under section 178 of the Companies Act 2013, inter alia principles pertaining to determining qualifications, positive attributes, integrity and independence etc.

Remuneration also aims to motivate personnel to deliver Company's key business strategies, create a strong performance-oriented environment and reward achievement of meaningful targets over the short and long- term.

**(A) Non-Executive Directors:**

As per this Policy, the non-executive directors are paid remuneration in the form of sitting fees for attending Board Meetings and Committee meetings thereof, as fixed by the Board of Directors of the Company from time to time subject to statutory provisions..

**(B) Managing Director:**

Remuneration of Managing Director reflects the overall remuneration philosophy and guiding principle of the Company. When considering the appointment and remuneration of Managing Director, the NRC considers pay and employment conditions in the industry, merit and seniority of the person and the paying capacity of the Company. The term of office and remuneration of Managing Director are subject to the approval of the Board of Directors, Shareholders and also subject to the approval of the Central Government (if required to be obtained) and the limits as prescribed under the Companies Act, 2013 and the related rules made thereunder read with Schedule V, as amended from time to time.

The Managing Director's remuneration comprises of salary, perquisites and performance based commission/reward apart from retirement benefits like Provident Fund, Superannuation, and Gratuity etc. as per the Rules of the Company.

The Managing Director is also entitled to customary non-monetary benefits such as Company Car, Health Care Benefits, Leave Travel, Communication Facilities, etc.

**(C) Whole Time Directors:**

While considering the appointment and remuneration of Whole Time Directors, the NRC shall consider pay and employment conditions in the industry, merit and seniority of the person and the paying capacity of the Company. The term of office and remuneration of Whole Time Directors are subject to the approval of the Board of Directors, Shareholders and subject to the approval of the Central Government (if required to be obtained) and the limits as prescribed under the Companies Act, 2013 and the related rules made thereunder read with Schedule V, as amended from time to time.

The remuneration of Whole Time Directors comprises of salary, perquisites and performance based commission/reward apart from retirement benefits like Provident Fund, Superannuation, Gratuity etc. as per the Rules of the Company.

The Whole Time Directors are also entitled to customary non-monetary benefits such as Company Car, Health Care Benefits, Leave Travel, Communication Facilities, etc.

**(A) Employees:**
Remuneration of other employees is decided by the Managing Director, where applicable, broadly based on the Remuneration Policy of the Company. Total remuneration comprises of:

- A fixed base salary – set at a level aimed at attracting and retaining executives with professional and personal competence, showing good performance towards achieving Company goals.

- Perquisites – in the form of dearness allowance, house rent allowance, conveyance allowance, medical allowance, leave travel allowance, reimbursement of telephone expenses incurred for business of the Company and other benefits as per the Company's policy.

- Retirement benefits – Contribution to Provident Fund and gratuity as per the Company Rules.

- Motivation/Reward – A performance appraisal is carried out annually and promotions/ increments/ rewards are decided by the Managing Director based on the appraisal and recommendation of the concerned Head of Department, Chief Financial Officer and Human Resources Head, where applicable.

- Severance payments - in accordance with terms of employment, and applicable statutory requirements, if any.

**EVALUATION**
The Committee shall carry out evaluation of performance of Directors and KMP yearly or at such intervals as may be considered necessary. Managing Directors shall carry out evaluation of performance of the Senior Management Personnel as per the Company's policy and report to the Committee.

**DISCLOSURE OF INFORMATION**
Information on the total remuneration of members of the Company's Board of Directors and KMP/senior management personnel may be disclosed in the Company's annual financial statements as per statutory requirements.

**APPLICATION OF THE REMUNERATION POLICY**
This Remuneration Policy shall continue to guide all future employment of Directors, Company's Senior Management including Key Managerial Personnel and other employees. Any departure from the policy can be undertaken only with the approval of the Board of Directors.

**NRC MEETINGS**
The meetings of NRC will be governed by the provisions of the Companies Act, 2013, Rules made there under and the regulations of the Listing Agreement as may be applicable from time to time.
Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

**DISSEMINATION**
This Policy shall be published on website of the Company.

**FOR AND ON BEHALF OF THE BOARD**
**OF KARDA CONSTRUCTIONS LIMITED**

| | |
|---|---|
| **NARESH KARDA** | **MANOHAR KARDA** |
| **MANAGING DIRECTOR** | **WHOLE TIME DIRECTOR** |
| **(DIN: 01741279)** | **(DIN: 01808564)** |

**(Authorised to sign and serve vide Board Resolution dated 13.08.2019)**
Date: August 13, 2019 Place: Nashik

# ANNEXURE – II
# FORM NO. MGT-9 EXTRACT OF ANNUAL RETURN

As on the financial year ended on **31st March, 2019**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

| I | REGISTRATION AND OTHER DETAILS |
|---|---|

| | | |
|---|---|---|
| i. | CIN | **L45400MH2007PLC174194** |
| ii. | Registration Date | **17/09/2007** |
| iii. | Name of the Company | **KARDA CONSTRUCTIONS LIMITED** |
| iv. | Category / Sub Category of the Company | **Public limited company Indian non government company Company limited by shares** |
| v. | Address of the Registered Office and Contact Details | **2nd Floor, Gulmohar Status, above Business Bank, Samarth Nagar Nashik - 422005 \| Email Id: admin@kardaconstruction.com Ph No:0253-2351090** |
| vi. | Whether Listed Company (Yes / No) | **Yes** |
| vii. | Name, address and Contact details of Registrar and Transfer Agent, if any | **Sharex Dynamic (India) Pvt. Ltd. C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083. T: 2851 5606/ 5644Web: http://www.sharexindia.com** |

| II | PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY |
|---|---|

All the business activities contributing 10 % or more of the total turnover of the Company:

-

| Sr. No. | Name and Description of main products / services | NIC Code of the product / service | % of Total turnover of the Company |
|---|---|---|---|
| 01 | Construction services | 41129 | 82 |
| 02 | Construction services | 41299 | 16.45 |

| III | PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES |
|---|---|

| Sr. No. | Name and Address of the Company | CIN / GLN | Holding / Subsidiary / Associate | % of Shares Held | Applicable Section |
|---|---|---|---|---|---|
| **NA** | **NA** | **NA** | **NA** | **NA** | **NA** |

| IV | SHAREHOLDING PATTERN<br>(Equity Share Capital Break-up as percentage of Total Equity) |
|---|---|

i) Category-wise Share Holding

| Category of Shareholder | No of Shares held at the beginning of the year | | | | No of Shares held at the end of the year | | | | % change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| **A. PROMOTERS** | | | | | | | | | |
| **(1) Indian** | | | | | | | | | |
| Individual / HUF | 8000000 | - | 8000000 | 65.04 | 8000000 | - | 8000000 | 65.04 | - |
| Central Government | - | - | - | - | - | - | - | - | - |
| State Governments | - | - | - | - | - | - | - | - | - |
| Bodies Corporate | - | - | - | - | - | - | - | - | - |
| Banks / FI's | - | - | - | - | - | - | - | - | - |
| Any Other | - | - | - | - | - | - | - | - | - |
| Sub-Total (A) (1) | 8000000 | - | 8000000 | 65.04 | 8000000 | - | 8000000 | 65.04 | - |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **(2) Foreign** | | | | | | | | | |
| NRI's – Individuals | - | - | - | - | - | - | - | - | - |
| Others – Individuals | - | - | - | - | - | - | - | - | - |
| Bodies Corporate | - | - | - | - | - | - | - | - | - |
| Banks / FI's | - | - | - | - | - | - | - | - | - |
| Any Other | - | - | - | - | - | - | - | - | - |
| Sub-Total (A) (2) | - | - | - | - | - | - | - | - | - |
| TOTAL SHAREHOLDING OF PROMOTERS<br><br>(A) = (A)(1) + (A) (2) | 8000000 | - | 8000000 | 65.04 | 8000000 | - | 8000000 | 65.04 | - |
| **B. PUBLIC SHAREHOLDING** | | | | | | | | | |
| **1. Institutions** | | | | | | | | | |
| Mutual Funds | - | - | - | - | - | - | - | - | - |
| Banks / FI's | - | - | - | - | 108519 | - | 108519 | 0.88 | 0.88 |
| Central Government | - | - | - | - | 29960 | - | 29960 | 0.24 | 0.24 |
| State Governments | - | - | - | - | - | - | - | - | - |
| Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| Insurance Companies | - | - | - | - | - | - | - | - | - |
| FII's | 576320 | - | 576320 | 4.67 | - | - | - | - | -4.67 |
| Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| Others (Specify) | - | - | - | - | - | - | - | - | - |
| Sub-Total (B) (1) | 576320 | - | 576320 | 4.67 | 138479 | - | 138479 | 1.12 | -3.55 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **2. Non Institutions** | | | | | | | | | |
| **(a)Bodies Corporate** | | | | | | | | | |
| Indian | 179040 | - | 179040 | 1.46 | 211931 | - | 211931 | 1.72 | 0.26 |
| Overseas | - | - | - | - | - | - | - | - | - |
| **(b)Individuals** | | | | | | | | | |
| Individual Shareholders holding nominal share capital up to Rs. 1 Lakh | 3056160 | 240 | 3056320 | 24.84 | 894620 | - | 894620 | 7.27 | -17.57 |
| Individual Shareholders holding nominal share capital in excess of Rs. 1 Lakh | 434560 | - | 434560 | 3.53 | 2174267 | - | 2174267 | 17.68 | 14.1 |
| **(c )Others** | | | | | | | | | |
| NRI | 53600 | - | 53600 | 0.44 | 52048 | - | 52048 | 0.42 | -0.02 |
| Overseas Corporate Bodies | 80 | - | 80 | 0.0 | - | - | - | - | - |
| Clearing members | - | - | - | - | 828655 | - | 828655 | 6.73 | 6.73 |
| Sub-Total (B) (2) | 3723440 | 160 | 3723600 | 30.27 | 4161521 | - | 4161521 | 33.9 | 3.599 |
| **TOTAL PUBLIC SHAREHOLDING (B) = (B)(1) + (B) (2)** | **4299760** | **160** | **4299920** | **34.96** | **4300000** | **-** | **4300000** | **34.96** | **-** |
| **C. SHARES HELD BY CUSTODIAN FOR GDR's AND ADR's** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **GRAND TOTAL (A+B+C)** | **12299840** | **240** | **12300000** | **100** | **12300000** | **-** | **12300000** | **100** | **-** |

## (ii) Shareholding of Promoters

| Sr. No. | Shareholders Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in the shareholding during the year |
|---|---|---|---|---|---|---|---|---|
| | | No of Shares | % of Total Shares of the Company | % of Shares Pledged / Encumbered to total shares | No of Shares | % of Total Shares of the Company | % of Shares Pledged / Encumbered to total shares | |
| 1 | Naresh Jagumal Karda | 56,00,000 | 45.5 | - | 56,00,000 | 45.5 | 56,00,000 | - |
| 2 | Manohar Jagumal Karda | 3,70,000 | 3 | - | 3,70,000 | 3 | 3,70,000 | - |
| 3 | Prem Jagumal Karda | 5,90,000 | 4.8 | - | 5,90,000 | 4.8 | 5,90,000 | - |
| 4 | Laxman Jagumal Karda | 5,50,000 | 4.5 | - | 5,50,000 | 4.5 | 5,50,000 | - |
| 5 | Karamchand Jagumal Karda | 3,40,000 | 2.8 | - | 3,40,000 | 2.8 | 3,40,000 | - |
| 6 | Disha Naresh Karda | 2,50,000 | 2 | - | 2,50,000 | 2 | 2,50,000 | - |
| 7 | Komal Laxman Karda | 1,00,000 | 0.8 | - | 1,00,000 | 0.8 | 1,00,000 | - |
| 8 | Neha Prem Karda | 1,00,000 | 0.8 | - | 1,00,000 | 0.8 | 1,00,000 | - |
| 9 | Bharati Manohar Karda | 1,00,000 | 0.8 | - | 1,00,000 | 0.8 | 1,00,000 | - |
| **TOTAL** | | **80,00,000** | **65** | **-** | **80,00,000** | **65** | **-** | **-** |

## (iii) Change in Promoters' Shareholding

| Sr. No. | Name of Promoter | Shareholding at the beginning of the year | | Cumulative shareholding during the year | |
|---|---|---|---|---|---|
| | | No of shares | % of total shares of the Company | No of shares | % of total shares of the Company |
| | At the beginning of the year | 80,00,000 | 65 | 80,00,000 | 65 |
| | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g.allotment/ transfer/bonus/ sweat equity etc) | **There is no change in promoter's shareholding during the year** | | | |
| | At the end of the year | 80,00,000 | 65 | 80,00,000 | 65 |



**(iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDR's and ADR's)**

| Sr. No. | Name | Shareholding at the beginning(01-04-18) / end of the year (31-03-19) | | Date | Increase/ Decrease in Share holding | Reason | Cumulative Shareholding during the year (01-04-18 to 31-03-19) | |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of total shares of the Company | | | | No. of Shares | % of total shares of the Company |
| 1 | Sumit P Desai (Huf) | 0 | 0 | 01-04-2018 | | | | |
| | | | | 20-04-2018 | 40000 | Buy | 40000 | 0.33 |
| | | | | 31-08-2018 | 34000 | Buy | 74000 | 0.60 |
| | | | | 21-09-2018 | 15010 | Buy | 89010 | 0.72 |
| | | | | 26-10-2018 | 47338 | Buy | 136348 | 1.19 |
| | | | | 23-11-2018 | 200000 | Buy | 336348 | 2.74 |
| | | | | 31-12-2018 | 200 | Buy | 336548 | 2.74 |
| | | | | 29-03-2019 | -46548 | Sold | 290000 | 2.36 |
| | | | | 31-03-2019 | | | 290000 | 2.36 |
| 2 | Globe Capital Market Ltd | 0 | 0 | 01-04-2018 | | | | |
| | | | | 05-04-2018 | 657 | Buy | 657 | 0.005 |
| | | | | 06-04-2018 | 100 | Buy | 757 | 0.006 |
| | | | | 13-04-2018 | 5084 | Buy | 5841 | 0.047 |
| | | | | 20-04-2018 | -595 | Sold | 5246 | 0.043 |
| | | | | 27-04-2018 | -70 | Sold | 5176 | 0.042 |
| | | | | 04-05-2018 | 321 | Buy | 5497 | 0.045 |
| | | | | 11-05-2018 | -276 | Sold | 5221 | 0.042 |
| | | | | 18-05-2018 | -75 | Sold | 5146 | 0.042 |
| | | | | 25-05-2018 | 455 | Buy | 5601 | 0.046 |
| | | | | 01-06-2018 | 19895 | Buy | 25496 | 0.207 |
| | | | | 08-06-2018 | 182227 | Buy | 207723 | 1.689 |
| | | | | 15-06-2018 | -99 | Sold | 207624 | 1.688 |
| | | | | 22-06-2018 | 121 | Buy | 207745 | 1.689 |
| | | | | 29-06-2018 | -2234 | Sold | 205511 | 1.671 |
| | | | | 06-07-2018 | 42330 | Buy | 247841 | 2.015 |
| | | | | 13-07-2018 | -967 | Sold | 246874 | 2.007 |
| | | | | 20-07-2018 | 36 | Buy | 246910 | 2.007 |
| | | | | 03-08-2018 | -500 | Sold | 246410 | 2.003 |
| | | | | 10-08-2018 | -300 | Sold | 246110 | 2.001 |
| | | | | 17-08-2018 | -2425 | Sold | 243685 | 1.981 |
| | | | | 24-08-2018 | -575 | Sold | 243110 | 1.977 |
| | | | | 31-08-2018 | -80070 | Sold | 163040 | 1.326 |
| | | | | 07-09-2018 | -1875 | Sold | 161165 | 1.310 |
| | | | | 14-09-2018 | -821 | Sold | 160344 | 1.304 |
| | | | | 21-09-2018 | 157985 | Buy | 318329 | 2.588 |
| | | | | 28-09-2018 | 70824 | Buy | 389153 | 3.164 |
| | | | | 30-09-2018 | -23 | Sold | 389130 | 3.164 |
| | | | | 05-10-2018 | 17 | Buy | 389147 | 3.164 |
| | | | | 19-10-2018 | 8000 | Buy | 397147 | 3.229 |
| | | | | 02-11-2018 | -131 | Sold | 397016 | 3.228 |
| | | | | 16-11-2018 | 39879 | Buy | 436895 | 3.552 |
| | | | | 23-11-2018 | 49450 | Buy | 486345 | 3.954 |
| | | | | 30-11-2018 | -3050 | Sold | 483295 | 3.929 |
| | | | | 07-12-2018 | -29241 | Sold | 454054 | 3.691 |
| | | | | 14-12-2018 | 24600 | Buy | 478654 | 3.891 |
| | | | | 21-12-2018 | -144100 | Sold | 334554 | 2.720 |
| | | | | 28-12-2018 | 6015 | Buy | 340569 | 2.769 |
| | | | | 31-12-2018 | 235 | Buy | 340804 | 2.771 |
| | | | | 04-01-2019 | -6813 | Sold | 333991 | 2.715 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | 11-01-2019 | -2232 | Sold | 331759 | 2.697 |
| | | | | 18-01-2019 | -25300 | Sold | 306459 | 2.492 |
| | | | | 25-01-2019 | -80100 | Sold | 226359 | 1.840 |
| | | | | 01-02-2019 | 3807 | Buy | 230166 | 1.871 |
| | | | | 08-02-2019 | 5000 | Buy | 235166 | 1.912 |
| | | | | 22-02-2019 | 10 | Buy | 235176 | 1.912 |
| | | | | 01-03-2019 | 14 | Buy | 235190 | 1.912 |
| | | | | 08-03-2019 | -42000 | Sold | 193190 | 1.571 |
| | | | | 15-03-2019 | 969 | Buy | 194159 | 1.579 |
| | | | | 22-03-2019 | 183 | Buy | 194342 | 1.580 |
| | | | | 29-03-2019 | 36278 | Buy | 230620 | 1.875 |
| | | | | 31-03-2019 | | | 230620 | 1.875 |
| 3 | Vaishali Yatin Shah | 0 | 0 | 01-04-2018 | | | | |
| | | | | 05-04-2018 | 115279 | Buy | 115279 | 0.937 |
| | | | | 13-04-2018 | -55864 | Sold | 59415 | 0.483 |
| | | | | 20-04-2018 | 88520 | Buy | 147935 | 1.203 |
| | | | | 27-04-2018 | 17259 | Buy | 165194 | 1.343 |
| | | | | 04-05-2018 | 13797 | Buy | 178991 | 1.455 |
| | | | | 11-05-2018 | 3000 | Buy | 181991 | 1.480 |
| | | | | 18-05-2018 | 36535 | Buy | 218526 | 1.777 |
| | | | | 25-05-2018 | 22100 | Buy | 240626 | 1.956 |
| | | | | 01-06-2018 | 3000 | Buy | 243626 | 1.981 |
| | | | | 13-07-2018 | 12000 | Buy | 255626 | 2.078 |
| | | | | 20-07-2018 | 19107 | Buy | 274733 | 2.234 |
| | | | | 14-12-2018 | -8348 | Sold | 266385 | 2.166 |
| | | | | 28-12-2018 | -33290 | Sold | 233095 | 1.895 |
| | | | | 04-01-2019 | 1800 | Buy | 234895 | 1.910 |
| | | | | 25-01-2019 | 400 | Buy | 235295 | 1.913 |
| | | | | 01-03-2019 | -21233 | Sold | 214062 | 1.740 |
| | | | | 08-03-2019 | -20000 | Sold | 194062 | 1.578 |
| | | | | 15-03-2019 | -55050 | Sold | 139012 | 1.130 |
| | | | | 22-03-2019 | 12272 | Buy | 151284 | 1.230 |
| | | | | 29-03-2019 | 74183 | Buy | 225467 | 1.833 |
| | | | | 31-03-2019 | | | 225467 | 1.833 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 4 | Bhumika Sumit Desai | 0 | 0 | 01-04-2018 | 34458 | Buy | 34458 | 0.280 |
| | | | | 05-04-2018 | 9792 | Buy | 44250 | 0.360 |
| | | | | 27-04-2018 | 81636 | Buy | 125886 | 1.023 |
| | | | | 01-06-2018 | 8500 | Buy | 134386 | 1.093 |
| | | | | 31-08-2018 | -10000 | Sold | 124386 | 1.011 |
| | | | | 07-09-2018 | 10000 | Buy | 134386 | 1.093 |
| | | | | 21-09-2018 | 60000 | Buy | 194386 | 1.580 |
| | | | | 23-11-2018 | -7000 | Sold | 187386 | 1.523 |
| | | | | 07-12-2018 | 7000 | Buy | 194386 | 1.580 |
| | | | | 14-12-2018 | | | 194386 | 1.580 |
| | | | | 31-03-2019 | | | | |
| 5 | Share India Securities Limited | 0 | 0 | 01-04-2018 | | | | |
| | | | | 05-04-2018 | 335365 | Buy | 335365 | 2.727 |
| | | | | 13-04-2018 | 24699 | Buy | 360064 | 2.927 |
| | | | | 20-04-2018 | 115201 | Buy | 475265 | 3.864 |
| | | | | 27-04-2018 | -65455 | Sold | 409810 | 3.332 |
| | | | | 04-05-2018 | 49640 | Buy | 459450 | 3.735 |
| | | | | 11-05-2018 | 16216 | Buy | 475666 | 3.867 |
| | | | | 18-05-2018 | -317675 | Sold | 157991 | 1.284 |
| | | | | 25-05-2018 | 1099 | Buy | 159090 | 1.293 |
| | | | | 01-06-2018 | 179594 | Buy | 338684 | 2.754 |
| | | | | 08-06-2018 | -177527 | Sold | 161157 | 1.310 |
| | | | | 15-06-2018 | 53776 | Buy | 214933 | 1.747 |
| | | | | 22-06-2018 | 799 | Buy | 215732 | 1.754 |
| | | | | 29-06-2018 | 61602 | Buy | 277334 | 2.255 |
| | | | | 30-06-2018 | -250 | Sold | 277084 | 2.253 |
| | | | | 06-07-2018 | -44500 | Sold | 232584 | 1.891 |
| | | | | 27-07-2018 | -420 | Sold | 232164 | 1.888 |
| | | | | 03-08-2018 | -8553 | Sold | 223611 | 1.818 |
| | | | | 10-08-2018 | 205 | Buy | 223816 | 1.820 |
| | | | | 17-08-2018 | 50 | Buy | 223866 | 1.820 |
| | | | | 24-08-2018 | -320 | Sold | 223546 | 1.817 |
| | | | | 31-08-2018 | 87000 | Buy | 310546 | 2.525 |
| | | | | 07-09-2018 | 5308 | Buy | 315854 | 2.568 |
| | | | | 14-09-2018 | -6461 | Sold | 309393 | 2.515 |
| | | | | 21-09-2018 | -155212 | Sold | 154181 | 1.254 |
| | | | | 28-09-2018 | -27090 | Sold | 127091 | 1.033 |
| | | | | 05-10-2018 | 13962 | Buy | 141053 | 1.147 |
| | | | | 12-10-2018 | 7913 | Buy | 148966 | 1.211 |
| | | | | 19-10-2018 | -30880 | Sold | 118086 | 0.960 |
| | | | | 26-10-2018 | 4320 | Buy | 122406 | 0.995 |
| | | | | 02-11-2018 | 133 | Buy | 122539 | 0.996 |
| | | | | 09-11-2018 | -24951 | Sold | 97588 | 0.793 |
| | | | | 16-11-2018 | -32717 | Sold | 64871 | 0.527 |
| | | | | 23-11-2018 | 1748 | Buy | 66619 | 0.542 |
| | | | | 30-11-2018 | -31168 | Sold | 35451 | 0.288 |
| | | | | 07-12-2018 | 26730 | Buy | 62181 | 0.506 |
| | | | | 14-12-2018 | 471 | Buy | 62652 | 0.509 |
| | | | | 21-12-2018 | 31780 | Buy | 94432 | 0.768 |
| | | | | 28-12-2018 | -6000 | Sold | 88432 | 0.719 |
| | | | | 31-12-2018 | 1000 | Buy | 89432 | 0.727 |
| | | | | 04-01-2019 | -2000 | Sold | 87432 | 0.711 |
| | | | | 18-01-2019 | 25070 | Buy | 112502 | 0.915 |
| | | | | 25-01-2019 | 1905 | Buy | 114407 | 0.930 |
| | | | | 01-02-2019 | -2695 | Sold | 111712 | 0.908 |
| | | | | 08-02-2019 | -905 | Sold | 110807 | 0.901 |
| | | | | 15-02-2019 | -1615 | Sold | 109192 | 0.888 |
| | | | | 01-03-2019 | -5 | Sold | 109187 | 0.888 |
| | | | | 08-03-2019 | 42000 | Buy | 151187 | 1.229 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | 15-03-2019 | -20450 | Sold | 130737 | 1.063 |
| | | | | 22-03-2019 | 12400 | Buy | 143137 | 1.164 |
| | | | | 29-03-2019 | -8873 | Sold | 134264 | 1.092 |
| | | | | 31-03-2019 | 15000 | Buy | 149264 | 1.214 |
| 6 | Pune E Stock Broking Pvt. Ltd | 0 | 0 | 01-04-2018 | | | | |
| | | | | 05-04-2018 | 4000 | Buy | 4000 | 0.033 |
| | | | | 13-04-2018 | 179540 | Buy | 183540 | 1.492 |
| | | | | 20-04-2018 | -143090 | Sold | 40450 | 0.329 |
| | | | | 27-04-2018 | -39815 | Sold | 635 | 0.005 |
| | | | | 04-05-2018 | 1671 | Buy | 2306 | 0.019 |
| | | | | 11-05-2018 | 181054 | Buy | 183360 | 1.491 |
| | | | | 18-05-2018 | -53161 | Sold | 130199 | 1.059 |
| | | | | 25-05-2018 | -5164 | Sold | 125035 | 1.017 |
| | | | | 01-06-2018 | -28109 | Sold | 96926 | 0.788 |
| | | | | 08-06-2018 | 52434 | Buy | 149360 | 1.214 |
| | | | | 15-06-2018 | -115234 | Sold | 34126 | 0.277 |
| | | | | 22-06-2018 | 49268 | Buy | 83394 | 0.678 |
| | | | | 29-06-2018 | 38773 | Buy | 122167 | 0.993 |
| | | | | 06-07-2018 | -31841 | Sold | 90326 | 0.734 |
| | | | | 13-07-2018 | -31494 | Sold | 58832 | 0.478 |
| | | | | 20-07-2018 | -1702 | Sold | 57130 | 0.464 |
| | | | | 27-07-2018 | 21336 | Buy | 78466 | 0.638 |
| | | | | 03-08-2018 | -10994 | Sold | 67472 | 0.549 |
| | | | | 10-08-2018 | 24198 | Buy | 91670 | 0.745 |
| | | | | 17-08-2018 | 16122 | Buy | 107792 | 0.876 |
| | | | | 24-08-2018 | 55485 | Buy | 163277 | 1.327 |
| | | | | 31-08-2018 | -51735 | Sold | 111542 | 0.907 |
| | | | | 07-09-2018 | 12859 | Buy | 124401 | 1.011 |
| | | | | 14-09-2018 | -3973 | Sold | 120428 | 0.979 |
| | | | | 21-09-2018 | -9194 | Sold | 111234 | 0.904 |
| | | | | 28-09-2018 | -85296 | Sold | 25938 | 0.211 |
| | | | | 05-10-2018 | 1001 | Buy | 26939 | 0.219 |
| | | | | 12-10-2018 | 13068 | Buy | 40007 | 0.325 |
| | | | | 19-10-2018 | -17000 | Sold | 23007 | 0.187 |
| | | | | 02-11-2018 | 7000 | Buy | 30007 | 0.244 |
| | | | | 09-11-2018 | -14655 | Sold | 15352 | 0.125 |
| | | | | 16-11-2018 | 26817 | Buy | 42169 | 0.343 |
| | | | | 23-11-2018 | -9359 | Sold | 32810 | 0.267 |
| | | | | 30-11-2018 | 32190 | Buy | 65000 | 0.528 |
| | | | | 07-12-2018 | -2574 | Sold | 62426 | 0.508 |
| | | | | 14-12-2018 | 30412 | Buy | 92838 | 0.755 |
| | | | | 21-12-2018 | -37683 | Sold | 55155 | 0.448 |
| | | | | 28-12-2018 | 84343 | Buy | 139498 | 1.134 |
| | | | | 31-12-2018 | -2097 | Sold | 137401 | 1.117 |
| | | | | 04-01-2019 | -5664 | Sold | 131737 | 1.071 |
| | | | | 11-01-2019 | -17253 | Sold | 114484 | 0.931 |
| | | | | 18-01-2019 | 14539 | Buy | 129023 | 1.049 |
| | | | | 25-01-2019 | 119376 | Buy | 248399 | 2.020 |
| | | | | 01-02-2019 | -93898 | Sold | 154501 | 1.256 |
| | | | | 08-02-2019 | 28035 | Buy | 182536 | 1.484 |
| | | | | 15-02-2019 | -57675 | Sold | 124861 | 1.015 |
| | | | | 22-02-2019 | -27308 | Sold | 97553 | 0.793 |
| | | | | 01-03-2019 | 24207 | Buy | 121760 | 0.990 |
| | | | | 08-03-2019 | 23010 | Buy | 144770 | 1.177 |
| | | | | 15-03-2019 | -781 | Sold | 143989 | 1.171 |
| | | | | 22-03-2019 | 33020 | Buy | 177009 | 1.439 |
| | | | | 29-03-2019 | -43540 | Sold | 133469 | 1.085 |
| | | | | 31-03-2019 | | | 133469 | 1.085 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 7 | Manoj H Mehta (HUF) | 83200 | 0.68 | 01-04-2018 | | | | |
| | | | | 20-04-2018 | 9667 | Buy | 92867 | 0.755 |
| | | | | 27-04-2018 | 3433 | Buy | 96300 | 0.783 |
| | | | | 31-08-2018 | 27200 | Buy | 123500 | 1.004 |
| | | | | 09-11-2018 | -2500 | Sold | 121000 | 0.984 |
| | | | | 31-03-2019 | | | 121000 | 0.984 |
| 8 | Madhukar Sheth | 0 | 0 | 01-04-2018 | | | | |
| | | | | 13-04-2018 | 129947 | Buy | 129947 | 1.056 |
| | | | | 20-04-2018 | 53 | Buy | 130000 | 1.057 |
| | | | | 07-09-2018 | -10000 | Sold | 120000 | 0.976 |
| | | | | 31-03-2019 | | | 120000 | 0.976 |
| 9 | KAJAL VAIBHAV PANDYA | 69440 | 0.57 | 01-04-2018 | | | | |
| | | | | 05-04-2018 | 8000 | Buy | 77440 | 0.630 |
| | | | | 13-04-2018 | -8000 | Sold | 69440 | 0.565 |
| | | | | 30-11-2018 | 48000 | Buy | 117440 | 0.955 |
| | | | | 07-12-2018 | -30 | Sold | 117410 | 0.955 |
| | | | | 31-03-2019 | | | 117410 | 0.955 |
| 10 | Axis Bank Limited | 0 | 0 | 01-04-2018 | | | | |
| | | | | 08-06-2018 | 15100 | Buy | 15100 | 0.123 |
| | | | | 15-06-2018 | 118332 | Buy | 133432 | 1.085 |
| | | | | 22-06-2018 | -63252 | Sold | 70180 | 0.571 |
| | | | | 29-06-2018 | -100 | Sold | 70080 | 0.570 |
| | | | | 06-07-2018 | 1100 | Buy | 71180 | 0.579 |
| | | | | 13-07-2018 | -1100 | Sold | 70080 | 0.570 |
| | | | | 20-07-2018 | 55482 | Buy | 125562 | 1.021 |
| | | | | 27-07-2018 | -40497 | Sold | 85065 | 0.692 |
| | | | | 03-08-2018 | -80 | Sold | 84985 | 0.691 |
| | | | | 17-08-2018 | 6726 | Buy | 91711 | 0.746 |
| | | | | 24-08-2018 | 1000 | Buy | 92711 | 0.754 |
| | | | | 07-09-2018 | -15150 | Sold | 77561 | 0.631 |
| | | | | 14-09-2018 | -11122 | Sold | 66439 | 0.540 |
| | | | | 21-09-2018 | -20050 | Sold | 46389 | 0.377 |
| | | | | 28-09-2018 | -22034 | Sold | 24355 | 0.198 |
| | | | | 05-10-2018 | -750 | Sold | 23605 | 0.192 |
| | | | | 12-10-2018 | 9181 | Buy | 32786 | 0.267 |
| | | | | 19-10-2018 | 2304 | Buy | 35090 | 0.285 |
| | | | | 26-10-2018 | -5339 | Sold | 29751 | 0.242 |
| | | | | 02-11-2018 | -77 | Sold | 29674 | 0.241 |
| | | | | 09-11-2018 | -1425 | Sold | 28249 | 0.230 |
| | | | | 16-11-2018 | -100 | Sold | 28149 | 0.229 |
| | | | | 23-11-2018 | 754 | Buy | 28903 | 0.235 |
| | | | | 30-11-2018 | 25083 | Buy | 53986 | 0.439 |
| | | | | 07-12-2018 | -393 | Sold | 53593 | 0.436 |
| | | | | 14-12-2018 | 534 | Buy | 54127 | 0.440 |
| | | | | 21-12-2018 | 53086 | Buy | 107213 | 0.872 |
| | | | | 28-12-2018 | -216 | Sold | 106997 | 0.870 |
| | | | | 04-01-2019 | 271 | Buy | 107268 | 0.872 |
| | | | | 11-01-2019 | 22034 | Buy | 129302 | 1.051 |
| | | | | 18-01-2019 | 1203 | Buy | 130505 | 1.061 |
| | | | | 25-01-2019 | 11498 | Buy | 142003 | 1.154 |
| | | | | 01-02-2019 | -47717 | Sold | 94286 | 0.767 |
| | | | | 08-02-2019 | 246 | Buy | 94532 | 0.769 |
| | | | | 15-02-2019 | 16426 | Buy | 110958 | 0.902 |
| | | | | 01-03-2019 | 5782 | Buy | 116740 | 0.949 |
| | | | | 08-03-2019 | -20 | Sold | 116720 | 0.949 |
| | | | | 15-03-2019 | 69 | Buy | 116789 | 0.950 |
| | | | | 22-03-2019 | -10382 | Sold | 106407 | 0.865 |
| | | | | 29-03-2019 | 2112 | Buy | 108519 | 0.882 |
| | | | | 31-03-2019 | | | 108519 | 0.882 |

**(v) Shareholding of Directors and Key Managerial Personnel**

| Sr. No. | For each director and KMP | Shareholding at the beginning of the year | | Cumulative shareholding during the year | |
|---|---|---|---|---|---|
| | | No of shares | % of total shares of the Company | No of shares | % of total shares of the Company |
| 1. | **Naresh Jagumal Karda (Managing Director)** | | | | |
| | At the beginning of the year | 56,00,00 | 45.5% | 56,00,00 | 45.5% |
| | Date wise Increase /Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc) | | | | |
| | At the end of the year | 56,00,00 | 45.5% | 56,00,00 | 45.5% |
| 2. | **Manohar Jagumal Karda (Whole Time Director)** | | | | |
| | At the beginning of the year | 3,70,000 | 3% | 3,70,000 | 3% |
| | Date wise Increase /Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc) | NIL | NIL | NIL | NIL |
| | At the end of the year | 3,70,000 | 3% | 3,70,000 | 3% |
| 3. | **Disha Naresh Karda (Executive Director)** | | | | |
| | At the beginning of the year | 2,50,000 | 2% | 2,50,000 | 2 % |
| | Date wise Increase /Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc) | NIL | NIL | NIL | NIL |
| | At the end of the year | 2,50,000 | 2% | 2,50,000 | 2% |
| 4. | **Shweta Raju Tolani (Non Executive Independent Director)** | | | | |
| | At the beginning of the year | NIL | NIL | NIL | NIL |
| | Date wise Increase /Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc) | NA | NA | NA | NA |
| | At the end of the year | NIL | NIL | NIL | NIL |

| 5. | Rahul Kishor Dayama (Non Executive Independent Director) | | | | |
|---|---|---|---|---|---|
| | At the beginning of the year | NIL | NIL | NIL | NIL |
| | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /bonus/ sweat equity etc) | NA | NA | NA | NA |
| | At the end of the year | NIL | NIL | NIL | NIL |

| 6. | Sandeep Ravindra Shah (Non Executive Independent Director) | | | | |
|---|---|---|---|---|---|
| | At the beginning of the year | NIL | NIL | NIL | NIL |
| | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /bonus/ sweat equity etc) | NA | NA | NA | NA |
| | At the end of the year | NIL | NIL | NIL | NIL |

| 7. | Anil Nahata (CFO) | | | | |
|---|---|---|---|---|---|
| | At the beginning of the year | NIL | NIL | NIL | NIL |
| | Increase in shareholding due to following reason:<br><br>Shares being allotted as Bonus on 11.07.2016 | NA | NA | NA | NA |
| | At the end of the year | NIL | NIL | NIL | NIL |

| 8. | Mayura Dinesh Marathe (Company Secretary) | | | | |
|---|---|---|---|---|---|
| | At the beginning of the year | NIL | NIL | NIL | NIL |
| | Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /bonus/ sweat equity etc) | NA | NA | NA | NA |
| | At the end of the year | NIL | NIL | NIL | NIL |

| V | INDEBTEDNESS |
|---|---|

**Indebtedness of the Company including interest outstanding / accrued but not due for payment**

**(Amounts in Lakhs)**

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|---|---|---|---|
| **Indebtedness at the beginning of the financial year** | | | | |
| I) Principal Amount | 12276.41 | 393.12 | - | 12669.53 |
| ii) Interest due but not paid | 16.49 | - | - | 16.49 |
| iii) Interest accrued but not due | - | - | - | - |
| TOTAL (i +ii + iii) | 12292.91 | 393.12 | - | 12686.02 |

| | | | | |
|---|---|---|---|---|
| Change in Indebtedness during the Financial Year<br>▪ Addition<br>▪ Reduction | 12292.91<br><br>15372.82<br>14930.59 | 393.12<br><br>2933.18<br>3234.36 | -<br><br>-<br>- | 12686.02<br><br>18,306.01<br>18,164.95 |
| **NET CHANGE** | **442.23** | **-307.17** | **-** | **141.06** |
| **Indebtedness at the end of the Financial Year** | | | | |
| i) Principal Amount | 12660.33 | 91.94 | **-** | 12,752.27 |
| ii) Interest due but not paid | 74.81 | - | **-** | 74.81 |
| iii) Interest accrued but not due | - | - | **-** | - |
| **TOTAL (i +ii + iii)** | **12,735.14** | **91.94** | **-** | **12,827.08** |

## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

**A. Remuneration to Managing Director, Whole Time Director and / or Manager:**

**(Amounts in Lakhs)**

| Sr. No. | Particulars of Remuneration | Name of MD / WTD / Manager | Total Amount |
|---|---|---|---|
| 1. | | **Naresh Jagumal Karda** | |
| 1. | Gross Salary | 12.00 | 12.00 |
| | (a) Salary as per provisions contained in Section 17 (1) of the Income Tax Act, 1961 | NIL | NIL |
| | (b) Value of perquisites u/s 17 (2) Income Tax Act, 1961 | NIL | NIL |
| | (C) Profits in lieu of Salary under section 17 (3) Income Tax Act, 1961 | NIL | NIL |
| 2. | Stock Option | NIL | NIL |
| 3. | Sweat Equity | NIL | NIL |
| 4. | Commission<br>- as % of Profit<br>- Others, specify | NIL<br>NIL<br>NIL | NIL |
| 5. | Others, please specify | NIL | NIL |
| | TOTAL (A) | 12.00 | 12.00 |
| | Ceiling as per the Act | 5% of the net profit | |
| 2. | | **Manohar Jagumal Karda** | |
| 1. | Gross Salary | 12.00 | 12.00 |
| | (a) Salary as per provisions contained in Section 17 (1) of the Income Tax Act, 1961 | NIL | NIL |
| | (b) Value of perquisites u/s 17 (2) Income Tax Act, 1961 | NIL | NIL |
| | (c) Profits in lieu of Salary under section 17 (3) Income Tax Act, 1961 | NIL | NIL |
| 2. | Stock Option | NIL | NIL |
| 3. | Sweat Equity | NIL | NIL |
| 4. | Commission<br>- as % of Profit<br>- Others, specify | NIL<br>NIL<br>NIL | NIL |
| 5. | Others, please specify | NIL | NIL |
| | TOTAL (A) | 12.00 | 12.00 |
| | Ceiling as per the Act | 5% of the net profit | |

| 3. | | Disha Naresh Karda | |
|---|---|---|---|
| 1. | Gross Salary | 12.00 | 12.00 |
| | (a) Salary as per provisions contained in Section 17 (1) of the Income Tax Act, 1961 | NIL | NIL |
| | (b) Value of perquisites u/s 17 (2) Income Tax Act, 1961 | NIL | NIL |
| | (c) Profits in lieu of Salary under section 17 (3) Income Tax Act, 1961 | NIL | NIL |
| 2. | Stock Option | NIL | NIL |
| 3. | Sweat Equity | NIL | NIL |
| 4. | Commission<br>- as % of Profit<br>- Others, specify | NIL<br>NIL<br>NIL | NIL |
| 5. | Others, please specify | NIL | NIL |
| | TOTAL (A) | 12.00 | 12.00 |
| | Ceiling as per the Act | 1% of the net profit | |

**B. Remuneration to other directors**

(Amounts in Lakhs)

| Sr. No. | Particulars of Remuneration | Name of Directors | | | Total Amount |
|---|---|---|---|---|---|
| 1. | Independent Directors | Shweta Tolani | Rahul Dayama | Sandeep Shah | |
| | Fees for attending board committee meetings | 1.30 | 1.12 | 0.49 | 2.91 |
| | Commission | - | - | - | |
| | Others, specify | - | - | - | |
| | **TOTAL (1)** | 1.30 | 1.12 | 0.49 | 2.91 |
| 2. | Other Non-Executive Directors | - | - | - | - |
| | Fees for attending board committee meetings | - | - | - | - |
| | Commission | - | - | - | - |
| | Others, specify | - | - | - | - |
| **TOTAL (1)** | | N.A. | - | - | - |
| **TOTAL (B) = (1) + (2)** | | 1.30 | 1.12 | 0.49 | 2.91 |
| **TOTAL MANEGERIAL REMUNERATION** | | 38.91 | | | |
| **OVERALL CEILING AS PER THE ACT** | | Not applicable as only sitting fees paid | | | |

**C. Remuneration to key managerial personnel other than MD / MANAGER / WTD**

(Amounts in Lakhs)

| Sr. No. | Particulars of Remuneration | Key Managerial Personnel | | | |
|---|---|---|---|---|---|
| | | CEO | Company Secretary | CFO | TOTAL |
| 1. | Gross Salary | | | | |
| | (a) Salary as per provisions contained in Section 17 (1) of the Income Tax Act, 1961 | N.A. | 3.81 | 6.50 | 10.31 |
| | (b) Value of perquisites u/s 17 (2) Income Tax Act, 1961 | N.A. | N.A. | N.A. | N.A. |
| | (c) Profits in lieu of Salary under section 17 (3) Income Tax Act, 1961 | N.A. | N.A. | N.A. | N.A. |
| 2 | Stock Option | N.A. | N.A. | N.A. | N.A. |
| 3. | Sweat Equity | N.A. | N.A. | N.A. | N.A. |
| 4. | Commission<br>- as % of Profit<br>- Others, specify | N.A. | N.A. | N.A. | N.A. |

| | | | | | |
|---|---|---|---|---|---|
| 5. | Others, please specify | N.A. | N.A. | N.A. | N.A. |
| | TOTAL | N.A. | 3.81 | 6.50 | 10.31 |

**VII PENALTIES / PUNISHMENTS / COMPOUNDING OF OFFENCES**

| Type | Section of the Companies Act | Brief description | Details of Penalty / Punishment / Compounding fees imposed | Authority (RD / NCLT / Court) | Appeal made, if any (Give Details) |
|---|---|---|---|---|---|
| **A. COMPANY** | | | | | |
| Penalty | N.A. | N.A. | N.A. | N.A. | N.A. |
| Punishment | N.A. | N.A. | N.A. | N.A. | N.A. |
| Compounding | N.A. | N.A. | N.A. | N.A. | N.A. |
| **B. DIRECTORS** | | | | | |
| Penalty | N.A. | N.A. | N.A. | N.A. | N.A. |
| Punishment | N.A. | N.A. | N.A. | N.A. | N.A. |
| Compounding | N.A. | N.A. | N.A. | N.A. | N.A. |
| **C. OTHER OFFICERS IN DEFAULT** | | | | | |
| Penalty | N.A. | N.A. | N.A. | N.A. | N.A. |
| Punishment | N.A. | N.A. | N.A. | N.A. | N.A. |
| Compounding | N.A. | N.A. | N.A. | N.A. | N.A. |

**FOR AND ON BEHALF OF THE BOARD**
**OF KARDA CONSTRUCTIONS LIMITED**

**NARESH KARDA**
**MANAGING DIRECTOR**
**(DIN: 01741279)**

**MANOHAR KARDA**
**WHOLE TIME DIRECTOR**
**(DIN: 01808564)**

**(Authorised to sign and serve vide Board Resolution dated 13.08.2019)**

Date: 13th August,2019 Place: Nashik

# ANNEXRUE III CORPORATE GOVERNANCE REPORT

The report on Corporate Governance states compliance as per requirements of the Companies Act, 2013, SEBI (LODR), Regulations, 2015, as applicable to the Company. Given below are the Company's Corporate Governance policies and practices for 2018-19 and the Company has complied with all the statutory and regulatory requirements as stipulated in the applicable laws.

## COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance has been developed with a tradition of fair and transparent governance even before they were man-dated by the legislation. Transparency, integrity, professionalism and accountability - based values form the basis of the Company's philosophy for Corporate Governance. The Company believes that good Corporate Governance is a continuous process and strives to improve the Corporate Governance practices to meet shareholder's expectations.

## 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

### Composition of board and changes therein

The Board of directors is duly constituted and consists of the following directors namely:

| Sr No. | Name of the Director | DIN | Designation |
|---|---|---|---|
| 1 | NareshJagumalKarda | 01741279 | Chairman and Managing Director (Promoter) |
| 2 | DishaNareshKarda | 06424475 | Executive Director |
| 3 | Manohar Jagumal Karda | 01808564 | Whole time director |
| 4 | Shweta Raju Tolani | 07575484 | Non- Executive Independent Woman Director |
| 5 | Rahul KishorDayama | 07906447 | Non- Executive IndependentDirector |
| 6 | Sandeep Ranindra Shah | 06402659 | Non- Executive Independent Director |

The composition of the Board is in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 read with Section 49 of the Companies Act, 2013.

Pursuant to the provisions of Section 149 of the Companies Act, 2013 the Independent Directors have submitted declarations that each of them meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 along with Rules framed thereunder and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There has been no change in the circumstances affecting their status as Independent Directors of the Company.

Mrs. Disha Naresh Karda is a Spouse of Mr. Naresh Jagumal Karda and Mr. Manohar Jagumal Karda is a Brother of Mr. Naresh Karda.

**DISCLOSURE OF EXPERTISE OR SKILLS OF DIRECTORS**

| Sr No. | Name of the Director | Expertise/Skills in specific functional area |
|---|---|---|
| 1 | Naresh Jagumal Karda | Business Management, Marketing and Supply Chain Management, Operations |
| 2 | Disha Naresh Karda | General Management |
| 3 | Manohar Jagumal Karda | Marketing and Supply Chain Management |
| 4 | Shweta Raju Tolani | Strategy and Management |
| 5 | Rahul Kishor Dayama | Finance and Accounting |
| 6 | Sandeep Ranindra Shah | Finance and Accounting |

**Orderly succession to Board and Senior Management**
The Board of the Company satisfied itself that plans are in place for orderly succession for appointments to the Board and to SeniorManagement.

**Code of Conduct**
Regulations 17(5) of the SEBI (LODR) Regulations, 2015, requires listed Companies to lay down a Code of Conduct for its Directors and Senior Management, incorporating duties of a Directors as laid down in the Companies Act, 2013. The Board has adopted a Code of Conduct for all Directors and Senior Management of the Company and the same has been placed on Company'swebsite.

**Maximum tenure of Independent Directors**
The maximum tenure of Independent Directors is in accordance with the Companies Act, 2013 and Regulation 25(2) of the SEBI (LODR) Regulations, 2015.

**Directors' interest in the company**
Sometime, the Company does enter into contracts with companies in which some of the Directors of the Company are interested as director or member. However, these contracts are in the ordinary course of the Company's business without giving any specific weight age to them. Directors regularly make full disclosures to the Board of Directors regarding the nature of their interest in the companies in which they are directors or members. Full particulars of contracts entered with companies in which directors are directly or indirectly concerned or interested are entered in the Register of Contracts maintained under Section 189 of the Companies Act, 2013 and the same is placed in every Board Meeting for the noting of the Directors.

**Responsibilities & Functions of Board of Directors**
The Board of Directors of the listed entity shall have the following responsibilities:

(i) Disclosure ofinformation:

- Members of Board of Directors and key managerial personnel shall disclose to the Board of directors whether they, directly, indirectly, or on behalf of third parties, have a material interest in any transaction or matter directly affecting the listedentity.

- The Board of Directors and senior management shall conduct themselves so as to meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture of good decision-making.

- Key functions of the Board ofDirectors-

1. Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans, setting performance objectives, monitoring implementation and corporate performance, and overseeing major capital expenditures, acquisitions anddivestments.

2. Monitoring the effectiveness of the listed entity's governance practices and making changes as needed.

- Selecting, compensating, monitoring and, when necessary, replacing key managerial Personnel and overseeing succession planning.

- Aligning key managerial personnel and remuneration of board of directors with the longer term interests of the listed entity and its shareholders.

- Ensuring a transparent nomination process to the board of directors with the diversity of thought, experience, knowledge, perspective and gender in the board of Directors.

- Monitoring and managing potential conflicts of interest of management, members of the Board of Directors and shareholders, including misuse of corporate assets and abuse in related party transactions.

- Ensuring the integrity of the listed entity's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.

- Overseeing the process of disclosure and communications

- Monitoring and reviewing Board of Director's evaluation framework.

(iii) Other responsibilities:

- The Board of Directors shall provide strategic guidance to the listed entity, ensure effective monitoring of the management and shall be accountable to the listed entity and the shareholders.

- The Board of Directors shall set a corporate culture and the values by which executives throughout a group shall behave.

- Members of the Board of Directors shall act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the listed entity and the shareholders.

- The Board of Directors shall encourage continuing directors training to ensure that the members of Board of Directors are kept up to date.

- Where decisions of the Board of Directors may affect different shareholder groups differently, the Board of Directors shall treat all shareholders fairly.

- The Board of Directors shall maintain high ethical standards and shall take into account the interests of stakeholders.

- The Board of Directors shall exercise objective independent judgment on corporate affairs.

- The Board of Directors shall consider assigning a sufficient number of non- executive members of the Board of Directors capable of exercising independent judgment to tasks where there is a potential for conflict of interest.

- The Board of Directors shall ensure that, while rightly encouraging positive thinking,

- These do not result in over-optimism that either leads to significant risks not being recognized or exposes the listed entity to excessive risk.

- The Board of Directors shall have ability to 'step back' to assist executive management by challenging the assumptions underlying: strategy, strategic initiatives (such as acquisitions), risk appetite, exposures and the key areas of the listed entity's focus.

- When committees of the Board of Directors are established, their mandate, composition and working procedures shall be well defined and disclosed by the Board of Directors.

- Members of the Board of Directors shall be able to commit themselves effectively to their responsibilities.

- In order to fulfill their responsibilities, members of the Board of Directors shall have access to accurate, relevant and timely information.

- The Board of Directors and senior management shall facilitate the independent Directors to perform their role effectively as a member of the Board of Directors and also a member of a committee of Board of Directors.

**Performance Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Regulations, 2015, the Board has carried out an annual evaluation of its own performance, and that of its Committees and individual directors. Manner in which such formal annual evaluation was made by the Board is given below:

- Performance evaluation criteria for Board, Committees of the Board and Directors were approved by the Board at its meeting. The criteria are placed on the Company's website www.kardaconstruction.com

- The report of performance evaluation so arrived at was then noted and discussed by the Nomination and Remuneration Committee and Board at their meetings held.

Under law, as per the report of performance evaluation, the Board shall determine, inter alia, whether to continue the term of appointment of the independent director. During the year under review, there was no occasion to decide on the continuance of the term of appointment of any of the independent directors and hence, the question of taking a decision on their re -appointment did not arise. Details on the evaluation carried out by the independent directors at their meeting held on 31st March, 2018 have been furnished in a separate Para elsewhere in this Report.

The Board of Directors is collectively responsible for selection of a member on the Board. The Nomination and Remuneration Committee of the Company follows defined criteria for identifying, screening, recruiting and recommending candidates for election as a Director on the Board. The criteria for appointment to the Board include:

- Composition of the Board, which is commensurate with the size of the Company, its portfolio, geographical spread and its status as a listed Company;
- Desired age and diversity on the Board;
- Size of the Board with optimal balance of skills and experience and balance of Executive and Non
- Executive Directors consistent with the requirements of law;
- Professional qualifications, expertise and experience in specific area of business;
- Balance of skills and expertise in view of the objectives and activities of the Company;
- Avoidance of any present or potential conflict of interest;
- Availability of time and other commitments for proper performance of duties; personal characteristics being in -line with the Company's values, such as integrity, honesty, transparency, pioneering mindset.

**REMUNERATION OF DIRECTORS**

- **Non-Executive Directors:**

**Pecuniary transactions with non-executive directors:**

During the year under review, there were no pecuniary transactions with any non-executive director of the Company. The register of contracts is maintained by the Company pursuant to section 189 of the Companies Act, 2013. The register is signed by all the directors present at the respective Board meetings.

**Criteria of making payments to non-executive directors:**

As per this Policy, the non-executive directors are paid remuneration in the form of sitting fees for attending Board Meetings and Committee meetings thereof, as fixed by the Board of Directors of the Company from time to time subject to statutory provisions..

**Managing Director:**

During the year under review, the Company paid remuneration to the Managing Director of the Company as provided in detail in an annexure to the Directors' Report in Form MGT-9, i.e. extract of the Annual Return Managing Director is entitled to superannuation benefits payable in the form of an annuity from an approved life insurance company, which form part of the perquisites allowed to him. No pension is paid by the Company.

**COMPLIANCES REGARDING INSIDER TRADING**

The Company had in place a 'Code of Conduct for Prevention of Insider Trading and Corporate Disclosure Practices', in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended. These regulations have been substituted by SEBI with a new set of Regulations, which have come into effect from 15 May 2015. Accordingly, the Board has approved and adopted, Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information; and Code of Conduct to Regulate, Monitor and Report Trading by its employees and other connected person. The said codes are being adhered to.The Code referred to in (a) above is placed on the Company's website www.kardaconstruction.com

## FAMILIARIZATION OF INDEPENDENT DIRECTORS

The details of familiarization program for Independent Directors have been disclosed on website of the Company. In addition to the extensive induction and training provided as part of the familiarization program, the Independent Directors are also taken through various business and functional sessions in the Board meetings including the Board meetings to discuss strategy. The details of Directors' induction and familiarization are available on the Company's websiteie www.kardaconstruction.com.

## MEETINGS OF THE BOARD OF DIRECTOR

During FY 2018-2019, twenty four meetings of the Board of Directors were held on the following dates:

**Attendance at the Board meetings and Annual General Meeting ('AGM') for F.Y. 2018-19:**

| Date | Name of Director | | | | | |
|---|---|---|---|---|---|---|
| | Naresh Karda | Disha Karda | Manohar Karda | Shweta Tolani | Sandeep Shah | Rahul Dayama |
| April 2,2018 | √ | √ | √ | √ | √ | √ |
| April 9,2018 | √ | √ | √ | √ | × | × |
| May 11,2018 | √ | √ | √ | √ | × | √ |
| May 28,2018 | √ | √ | √ | √ | × | √ |
| June 14,2018 | √ | √ | √ | × | √ | × |
| July 2,2018 | √ | √ | √ | √ | √ | P |
| August 3,2018 | √ | √ | √ | × | × | P |
| August 10,2018 | √ | √ | √ | × | √ | × |
| August 13,2018 | √ | √ | √ | × | √ | × |
| August 23,2018 | √ | √ | √ | √ | √ | √ |
| September26,2018 | √ | √ | √ | √ | × | × |
| September29,2018 | √ | √ | √ | √ | × | × |
| October 1,2018 | √ | √ | √ | √ | × | × |
| October 16,2018 | √ | √ | √ | √ | √ | √ |
| November 1,2018 | √ | √ | √ | √ | × | × |
| November 13,2018 | √ | √ | √ | √ | √ | √ |
| December 17,2018 | √ | √ | √ | √ | × | × |
| January 2,2019 | √ | √ | √ | √ | × | × |
| January 24,2019 | √ | √ | √ | √ | √ | √ |
| January 30,2019 | √ | √ | √ | √ | × | × |
| February 14,2019 | √ | √ | √ | √ | √ | √ |
| February 26,2019 | √ | √ | √ | √ | × | × |
| March 20,2019 | √ | √ | √ | √ | × | × |
| Whether attended AGM (September 29,2018) | √ | √ | √ | √ | √ | √ |

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.

**Category of Directors and details of other Boards or Board Committees of listed entities in which they are Members or Chairpersons:**

| Name of Director | Category | No. of other Details of Directorships | | No of other committee memberships | | Details of Directorship / Committee memberships in other listed companies |
|---|---|---|---|---|---|---|
| | | Chairman | Member | Chairman | Member | |
| Mr. Naresh Jagumal Karda | Promoter Chairman & Managing Director | - | - | - | - | - |
| Mr. Manohar Jagumal Karda | Whole Time Director | - | - | - | - | - |
| Mrs. Disha Naresh Karda | Director | - | - | - | - | - |
| Mrs. Shweta Raju Tolani | Non-Executive Independent Director | - | - | - | - | - |
| Mr. Rahul Kishor Dayama | Non-Executive Independent Director | - | - | - | - | - |
| Mr. Sandeep Ravindra Shah | Non-Executive Independent Director | - | - | - | - | - |

**COMMITTEES OF THE BOARD:**

The Board Committee plays a crucial role in the governance structure of the Company and has been constituted to deal with specific areas/activities which concern the Company and need a closer review. The Board Committee are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The Chairman of the respective Committee informs the Board about the summary of the discussions held in the Committee meetings.

**The Board has constituted following Committees of Directors:**

Audit Committee,
Nomination & Remuneration Committee, and
Stakeholder's Relationship Committee.
Corporate Social Responsibility

▪ Audit Committee:

The Audit committee consists of 3 directors – Mr. Rahul Dayama (Chairman), Mr. Naresh Karda (Member) and Mrs. Shweta Tolani (Member)

**Broad terms of reference to the Audit Committee in brief:**

The Committee primarily acts in line with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee oversees the Company's financial reporting process and internal control system and ensures that the financial statements are correct, sufficient and credible. The Committee reviews the annual and quarterly financial statements before submission to the Board for approval. The Committee also reviews Related Party Transactions of the Company and approves the transactions which are in line with the Related Party Transactions Policy of the Company.
The Related Party Transactions Policy of the Company is available at www.kardaconstruction.com. The Committee has been entrusted with the responsibility of reviewing Internal Audit findings and ensuring adequacy of internal control

Systems. The Committee holds regular discussions with the Internal, Statutory and Cost Auditors about their scope of audit and holds post audit discussions with the Auditors. The Statutory and Cost Auditors, Internal Auditor, the Managing Director, the Chief Financial Officer.

Attendance at the Audit Committee meetings for F.Y. 2018-19

| Sr. No. | Date of committee meeting | Name of the director | | |
|---|---|---|---|---|
| | | Mr.Rahul Dayama | Mrs. Shweta Tolani | Mr. Naresh Karda |
| 1 | 3.04.2018 | √ | √ | √ |
| 2 | 25.05.2018 | √ | √ | √ |
| 3 | 2.07.2018 | √ | √ | √ |
| 4 | 23.08.2018 | √ | √ | √ |
| 5 | 26.09.2018 | √ | √ | √ |
| 6 | 8.10.2018 | √ | √ | √ |
| 7 | 16.10.2018 | √ | √ | √ |
| 8 | 13.11.2018 | √ | √ | √ |
| 9 | 1.12.2018 | √ | √ | √ |
| 10 | 24.01.2019 | √ | √ | √ |
| 11 | 14.02.2019 | √ | √ | √ |

- Nomination and Remuneration Committee

The nomination and remuneration committee of the company is constituted in accordance with section 178 (1) of the Companies Act, 2013 and rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014. The committee consists of Mrs. Shweta Tolani (Chairman), Mr. Rahul Dayama( Member) and Mr. Sandeep Shah (Member).

Broad terms of reference to the Nomination and Remuneration Committee in brief:
Nomination and Remuneration committee shall ensure that-

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to directors, key managerial personnel and senior manage mentin volves a balance between fixed and incentive pay reflecting short and long-termperformance objectives appropriate to the working of the company and its goals

Disclosure of company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters are as per the company's Nomination and Remuneration policy attached herewith as Annexure I.

Attendance at the Nomination and Remuneration Committee meetings for F.Y. 2018-19

| Sr. No. | Date of committee meeting | Name of the director | | |
|---|---|---|---|---|
| | | Mrs.Shweta Tolani | Mr.Rahul Dayama | Mr. Sandeep Shah |
| 1 | April 3,2018 | √ | √ | √ |
| 2 | July 2,2018 | √ | √ | √ |
| 3 | October 16,2018 | √ | √ | √ |
| 4 | February 13,2019 | √ | √ | √ |

Details of Sitting Fees and Commissionto Non-Executive Independent Directors for the financial year April 1, 2018 to March 31, 2019

| Name of Director | Sitting fees | Commission | Total |
|---|---|---|---|
| Mrs. Shweta Tolani | 1.30 | - | 1.30 |
| Mr. Rahul Dayama | 1.12 | - | 1.12 |
| Mr. Sandeep Shah | 0.49 | - | 0.49 |

- **Stakeholders Relationship Committee**

  Stakeholders relationship committee constituted under section 178 (5) of the Companies Act, 2013 consisting Mr. Rahul Dayama (Chairman), Mr. Shweta Tolani (Member) and Mrs. Disha Karda (Member).

  Broad terms of reference to the Nomination and Remuneration Committee in brief:
  The Stakeholders Relationship Committee as per Section 178 of Companies Act, 2013 vested by the board of Directors of the Company shall insure:

  - Redressing of shareholders and investor complaints such as non-receipt of declared dividend, annual report, transfer of Equity Shares and issue of duplicate/split/consolidated share certificates;

  - Monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of Equity Shares and other securities issued by our Company, including review of cases for refusal of transfer/ transmission of shares and debentures;

  - Reference to statutory and regulatory authorities regarding investor grievances;

  - To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;

  - And to do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers.

  - overseeing the performance of the registrars and transfer agents of our Company and to recommend measures for overall improvement in the quality of investor services; and

  Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act, 2013 or SEBI Listing Regulations, or by any other regulatory authority.

| Sr. No. | Date of committee meeting | Name of the director | | |
|---|---|---|---|---|
| | | Mr.Rahul Dayama | Mrs.Shweta Tolani | Mrs. Disha Karda |
| 1 | April 3,2018 | √ | √ | √ |
| 2 | July 2,2018 | √ | √ | √ |
| 3 | October 16,2018 | √ | √ | √ |
| 4 | February 13,2019 | √ | √ | √ |

- Corporate Social Responsibility Committee

  CSR committee is duly constituted consisting Mr. Rahul Dayama (Chairman), Mr. Naresh Karda (Member) and Mrs. Disha Karda (Member).

  Broad Terms of Reference of Corporate Social Responsibility Committee ('CSR'):

  - To formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as per the Companies Act, 2013;

  - To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company; and

  - To monitor the CSR policy of the Company from time to time.

| Sr. No. | Date of committee meeting | Name of the director | | |
|---|---|---|---|---|
| | | Mr.Rahul Dayama | Mr.Naresh Karda | Mrs. Disha Karda |
| 1 | April 3,2018 | √ | √ | √ |
| 2 | July 2,2018 | √ | √ | √ |
| 3 | October 16,2018 | √ | √ | √ |
| 4 | February 13,2019 | √ | √ | √ |

**VIGIL MECHANISM & WHISTLE BLOWER POLICY**

The company has established vigil mechanism for the directors and employees to report their genuine concerns or grievances, details of adequate safeguards provided against victimisation of employees and directors who avail of the vigil mechanism, mechanism of providing for direct access etc, as provided in rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, read with corresponding rules, circulars, notifications, orders and amendments thereof.

**DETAILS OF GENERAL MEETINGS**

| | | | |
|---|---|---|---|
| 2015-2016 | Wednesdy,30thSeptember, 2015 at 11.30 a.m. | Shop no. Ug 109, Dreams Mall, Lbs Marg, Kanjur, Bhandup (W), Kurla, Mumbai -400078 | No Special Resolution was passed. |
| 2016-2017 | Friday, 30th September, 2016 at 04.00 P.M | Shop no. Ug 109, Dreams -The Mall, Lbs Marg, Bhandup (W) Mumbai - 400078 | No Special Resolution was passed. |
| 2017-2018 | Saturday, 29th September,2018 | The SSK Solitaire Hotels & Banquets-Ahilyabai Holkar Marg, Tidke Colony, Nashik-422002, Maharashtra | Following special resolutions were passed:<br>1.Authority to borrow u/s 180(1)(a) and 180(1)(c) of the Companies Act, 2013<br>2.Approval for granting loan and investments by the company |

**EXTRA- ORDINARY GENERAL MEETINGS**

Details of the Extra- Ordinary General Meetings of the Company held during 3 preceding previous years together with a list of the special resolutions passed there at is given hereunder

| Financial Year | Date | Venue | Special Resolutions passed |
|---|---|---|---|
| 2015-2016 | Saturday, 4th April, 2015 | Shop no. Ug 109, Dreams Mall, Lbs Marg, Kanjur, Bhandup (W), Kurla, Mumbai -400078 At 11.00 A.M. | Approval u/s 180(1)(a) and 180(1)(c) of the Companies Act, 2013 |
| | Monday, 20th July, 2015 | Shop no. Ug 109, Dreams Mall, Lbs Marg, Kanjur, Bhandup (W), Kurla, Mumbai -400078 At 10.00 A.M. | Approval for granting loan and investments by the company |
| | Monday,29th February, 2016 | Shop no. Ug 109, Dreams Mall, Lbs Marg, Kanjur, Bhandup (W), Kurla, Mumbai -400078 At 10.00 A.M. | Conversion of a company from private to public: |
| 2016-2017 | Monday, 11th April, 2016 | Shop No. Ug 109, Dreams - The Mall, Lbs Marg, Kanjur, Bhandup (W), Kurla- 400078 | NA |
| | Monday, 27thJune, 2016 | Shop No. Ug 109, Dreams - The Mall, Lbs Marg, Kanjur, Bhandup (W), Kurla- 400078 | ▪ Approval to create, offer and allot equity shares to public and to enlist such allotted equity shares on the recognized stock exchange(s) (including SME Platform)<br>▪ Issue bonus shares |
| | Monday, 26th December, 2016 | Shop No. Ug 109, Dreams - The Mall, Lbs Marg, Bhandup (W), Mumbai - 400078. | Authority to borrow u/s 180(1)(a) and 180(1)(c) of the Companies Act, 2013 |
| | Monday,6th February, 2017 | Shop No. Ug 109, Dreams - The Mall, Lbs Marg, Bhandup (W), Mumbai - 400078. | NA |

| | | | |
|---|---|---|---|
| 2017-2018 | Monday, 24th July, 2017 | Shop No. Ug 109, Dreams - The Mall, Lbs Marg, Kanjur, Bhandup (W), Kurla- 400078 | ▪ Shifting of Registered Office outside the local limits of the city<br>▪ Issue Of Bonus Shares<br>▪ Appointing Mr. Naresh Karda As Managing Director And Chairman |
| | Tuesday, 26th Day Of December, 2017 | 2nd Floor, Gulmohar Status, Above Business Bank, Samarth Nagar, Nashik - 422005 | NA |



**Postal Ballot:**

During the year 2018-19, Pursuant to section 110 of the Companies Act, 2013 the shareholders of the Company approved the following resolutions by means of Postal Ballot. The Postal Ballots were conducted by Amar patil Proprietor of Amar Patil & Associates, Company Secretaries (M No: ACS 45835; C P No: 16694) appointed as scrutinizer by the board of Directors. There were 7798 shareholders on the record date.

Results of the aforesaid Postal Ballot Notice dated January 30, 2019:

**Item no 1: To amend the terms of the borrowing capacity of the Company u/s 180(1) (C) of the Companies Act, 2013**

The result of the Postal Ballot was as follows:-

| **Resolution (1)** | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Resolution required: (Ordinary / Special) | | | | Special | | | | |
| Whether promoter/promoter group are interested in the agenda/resolution? | | | | No | | | | |
| Description of resolution considered | | | | To amend the terms of the borrowing capacity of the Company u/s 180(1)(C) of the Companies Act,2013 | | | | |
| Category | Mode of voting | No. of shares held | No. of votes polled | % of Votes polled on outstanding shares | No. of votes – in favour | No. of votes – against | % of votes in favour on votes polled | % of Votes against on votes polled |
| | | (1) | (2) | (3)=[(2)/(1)] *100 | (4) | (5) | (6)=[(4)/(2) ]*100 | (7)=[(5)/(2) ]*100 |
| Promoter and Promoter Group | E-Voting | 8000000 | 8000000 | 100.0000 | 8000000 | 0 | 100.0000 | 0.0000 |
| | Poll | | | | | | | |
| | Postal Ballot (if applicable) | | 0 | 0.0000 | 0 | 0 | 0 | 0 |
| | Total | 8000000 | 8000000 | 100.0000 | 8000000 | 0 | 100.0000 | 0.0000 |
| Public- Institutions | E-Voting | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| | Poll | | 0 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| | Postal Ballot (if applicable) | | 0 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| | Total | 0 | 0 | 0.0000 | 0 | 0 | 0.0000 | 0.0000 |
| Public- Non Institutions | E-Voting | 1000 | 560 | 56.0000 | 560 | 0 | 100.0000 | 0.0000 |
| | Poll | | 0 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| | Postal Ballot (if applicable) | | 390 | 39.0000 | 310 | 80 | 79.4872 | 20.5128 |
| | Total | 1000 | 950 | 95.0000 | 870 | 80 | 91.5789 | 8.4211 |
| Total | Total | 8001000 | 8000950 | 99.9994 | 8000870 | 80 | 99.9990 | 0.0010 |
| Whether resolution is Pass or Not. | | | | | | | Yes | |

One shareholder holding 100 equity shares has partially voted in favour of the resolution with 50 shares.

**Item no 2: To Create and/or Modify Mortgage, Charge or Encumbrance on the assets of the Company**

**The result of the Postal Ballot was as follows:-**

| Resolution (2) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Resolution required: (Ordinary / Special) | | | | Special | | | | |
| Whether promoter/promoter group are interested in the agenda/resolution? | | | | No | | | | |
| Description of resolution considered | | | | To Create and/or Modify Mortgage, Charge or Encumbrance on the assets of the Company | | | | |
| Category | Mode of voting | No. of shares held | No. of votes polled | % of Votes polled on outstanding shares | No. of votes – in favour | No. of votes – against | **% of votes in favour on votes polled** | **% of Votes against on votes polled** |
| | | (1) | (2) | (3)=[(2)/(1)]*100 | (4) | (5) | **(6)=[(4)/(2)]*100** | **(7)=[(5)/(2)]*100** |
| Promoter and Promoter Group | E-Voting | 8000000 | 8000000 | 100.0000 | 8000000 | 0 | 100.0000 | 0.0000 |
| | Poll | | | | | | | |
| | Postal Ballot (if applicable) | | 0 | 0.0000 | 0 | 0 | 0 | 0 |
| | Total | 8000000 | 8000000 | 100.0000 | 8000000 | 0 | 100.0000 | 0.0000 |
| Public-Institutions | E-Voting | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| | Poll | | 0 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| | Postal Ballot (if applicable) | | 0 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| | Total | 0 | 0 | 0.0000 | 0 | 0 | 0.0000 | 0.0000 |
| Public-Non Institutions | E-Voting | 1000 | 560 | 56.0000 | 560 | 0 | 100.0000 | 0.0000 |
| | Poll | | | | | | | |
| | Postal Ballot (if applicable) | | 365 | 36.5000 | 285 | 80 | 78.0822 | 21.9178 |
| | Total | 1000 | 925 | 92.5000 | 845 | 80 | 91.3514 | 8.6486 |
| Total | Total | 8001000 | 8000925 | 99.9991 | 8000845 | 80 | 99.9990 | 0.0010 |
| Whether resolution is Pass or Not. | | | | | | | Yes | |

One shareholder holding 100 equity shares has partially voted in favour of the resolution with 50 shares.

**Item no 3: Issuance of Non-Convertible Debentures on Private Placement basis**

| Resolution (3) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Resolution required: (Ordinary / Special) | | | | Special | | | | |
| Whether promoter/promoter group are interested in the agenda/resolution? | | | | No | | | | |
| Description of resolution considered | | | | To offer and Issue of Non Cumulative, redeemable, taxable, rated securities in the form of Non Convertible Debentures upto an aggregate amount not exceeding Rs. 100,00,00,000/- (Rupees Hundred Crore only) (the Debentures) on private placement basis. | | | | |
| Category | Mode of voting | No. of shares held | No. of votes polled | % of Votes polled on outstanding shares | No. of votes – in favour | No. of votes – against | % of votes in favour on votes polled | % of Votes against on votes polled |
| | | (1) | (2) | (3)=[(2)/(1)]*100 | (4) | (5) | (6)=[(4)/(2)]*100 | (7)=[(5)/(2)]*100 |
| Promoter and Promoter Group | E-Voting | 8000000 | 8000000 | 100.00 | 8000000 | 0 | 100.00 | 0.0000 |
| | Poll | | | | | | | |
| | Postal Ballot (if applicable) | | 0 | 0.0000 | 0 | 0 | 0 | 0 |
| | Total | 8000000 | 8000000 | 100.00 | 8000000 | 0 | 100.00 | 0.00 |
| Public-Institutions | E-Voting | 0 | 0 | 0 | 0 | 0 | 0.00 | 0.00 |
| | Poll | | 0 | 0 | 0 | 0 | 0.00 | 0.00 |
| | Postal Ballot (if applicable) | | 0 | 0 | 0 | 0 | 0.00 | 0.00 |
| | Total | 0 | 0 | 0.0000 | 0 | 0 | 0.00 | 0.00 |
| Public-Non Institutions | E-Voting | 1000 | 560 | 56.00 | 560 | 0 | 100.00 | 0.00 |
| | Poll | | 0 | 0 | 0 | 0 | 0.00 | 0.00 |
| | Postal Ballot (if applicable) | | 365 | 36.50 | 285 | 80 | 78.08 | 21.91 |
| | Total | 1000 | 925 | 92.50 | 845 | 80 | 91.35 | 8.64 |
| Total | Total | 8001000 | 8000925 | 99.99 | 8000845 | 80 | 99.99 | 0.0010 |
| | | | | | Whether resolution is Pass or Not. | | Yes | |

**MEANS OF COMMUNICATION**

- The quarterly shareholding pattern and quarterly / half-yearly / yearly un-audited / audited financial results were posted on the Company's website www.kardaconstruction.com and also on https://www.nseindia.com/ and https://www.bseindia.com/
- The official news releases of the Company were displayed on the Company's website www.kardaconstruction.com and also on https://www.nseindia.com/ and https://www.bseindia.com/
- The annual audited and quarterly/ half-yearly unaudited financial results for the year ended March 2019 and quarters ended June, September and December 2018 were published in The Free Press Journal (All editions) and Loksatta ,Deshdoot (Nashik Edition).
- Transcript of Conference calls with the Analysts held on August 23, 2018, November 20, 2018and February 14, 2019 were displayed on the Company's website www.kardaconstruction.com

**General Shareholder information**

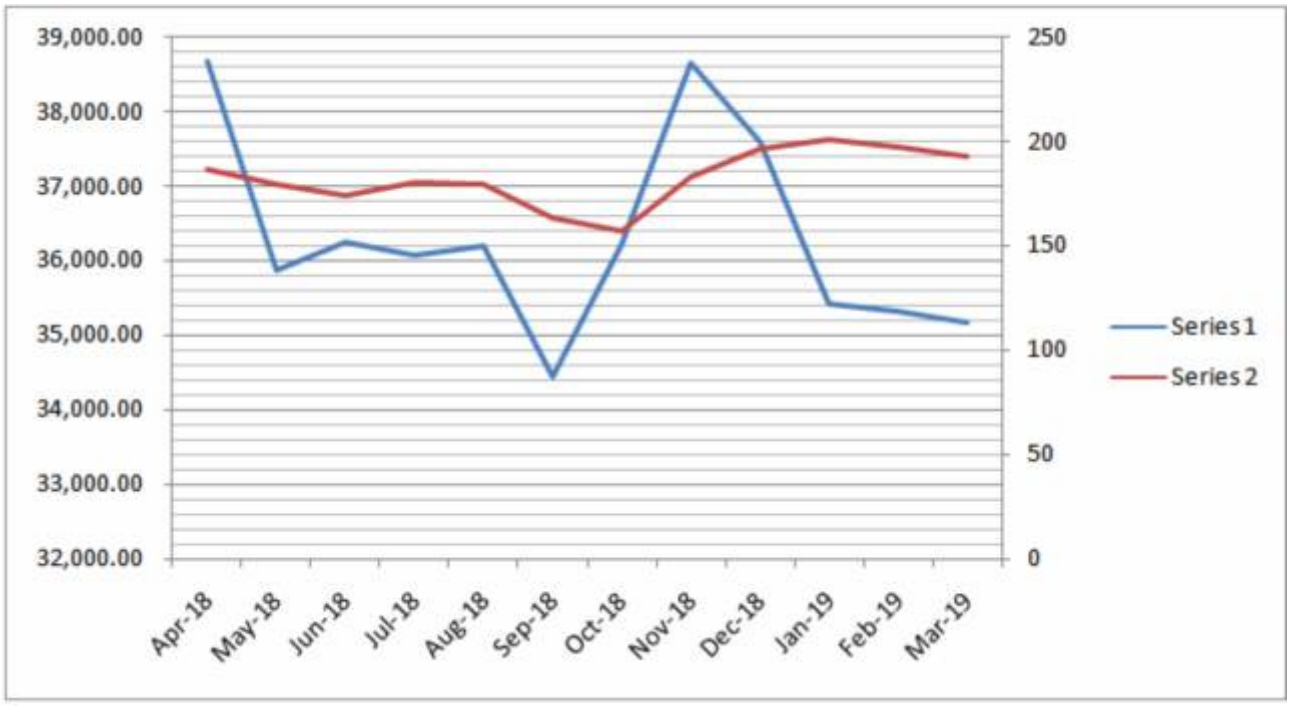
| | |
|---|---|
| Registered office | 2nd floor Gulmohar status , above Business Bank, Mahatma Nagar, Nashik-422005 |
| ISIN | INE278R01018 |
| | Date: September 21, 2019<br>Venue:BLVD Nashik at P20, Trambakeshwar Rd, MIDC, Satpur Colony, Nashik-422007 |
| Financial year | The financial year of the company is 1st April to 31st March |
| Financial colander | · Results for quarter ending June 30, 2019 – By second week of August, 2019<br>· Results for quarter and half year ending September 30, 2019 – By Second week of November, 2019<br>· Results for quarter and nine months ending December 31, 2019 – By Second week of February,<br>· 2020 Results for the year ending March 31, 2020 – By Fourth week of May, 2020 |
| Date of Book closure | September 13,2019 to September 21,2019 |
| Interim dividend payment date | NA |
| Final dividend payment date | NA |
| Listing on stock exchanges | Bombay Stock Exchange- Scrip Code 541161<br>National Stock Exchange- Symbol Karda |

**Market price data: high low during each month in FY 2018-19**

| Month | BSE | | NSE | |
|---|---|---|---|---|
| | High (₹) | Low (₹) | High (₹) | Low (₹) |
| Apr 2018 | 189.4 | 136 | 193.4 | 129.2 |
| May 2018 | 208.5 | 176.75 | 210 | 172.65 |
| Jun 2018 | 183.4 | 166.05 | 185 | 160 |
| July 2018 | 175 | 155 | 182 | 151.7 |
| Aug 2018 | 196.55 | 172.3 | 196 | 172 |
| Sept 2018 | 236.85 | 182 | 238 | 160 |
| Oct 2018 | 170 | 124.35 | 171.95 | 123.05 |
| Nov 2018 | 223.75 | 143 | 222 | 127.1 |
| Dec 2018 | 204.4 | 161.5 | 203.3 | 5161.85 |
| Jan 2019 | 212.5 | 179 | 231.5 | 178.05 |
| Feb 2019 | 239 | 190.5 | 211 | 191.65 |
| Mar 2019 | 214 | 186.95 | 213.9 | 186.75 |

| | |
|---|---|
| Performance in comparison to broad-based indices such as BSE Sensex | Chart below depicts the comparable movement of the Company's Equity Shares against BSE Sensex, during the year ended March 31, 2019. |

Series 1- Sensex closing
Series 2- Karda Share closing (INR)



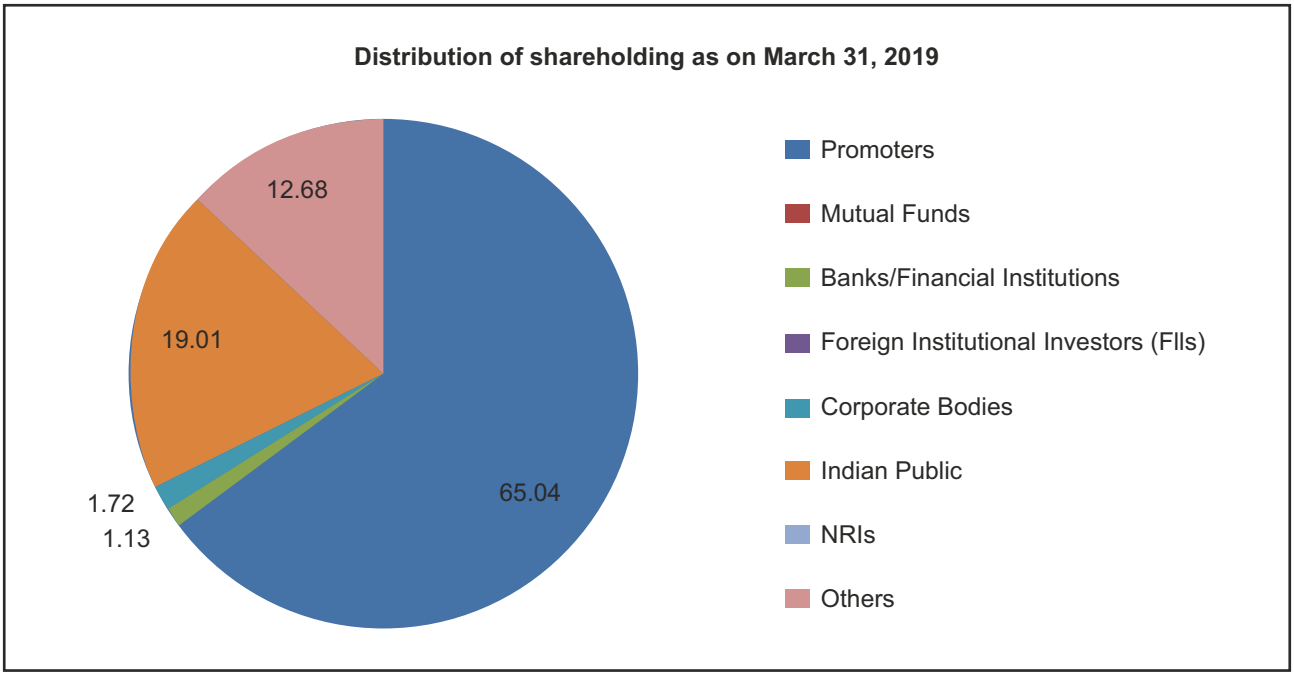

**Distribution of shareholding**

| Category | No. of shares of ₹ 10/- | % of shareholding |
|---|---|---|
| Promoters | 800000 | 65.04 |
| Mutual Funds | 0 | 0 |
| Banks/ Financial Institutions/ | 138479 | 1.13 |
| Foreign Institutional Investors (FIIs) | 0 | 0 |
| Corporate Bodies | 211931 | 1.72 |
| Indian Public | 2338034 | 19.01 |
| NRIs | 52048 | 0.42 |
| Others | 1559508 | 12.68 |
| Total | 12300000 | 100 |

| Sr. No. | Category | No. of Shareholders | Total Shareholders (%) |
|---|---|---|---|
| **1** | **1-2500** | **6198** | **97.84** |
| **2** | **2501-5000** | **41** | **0.65** |
| **3** | **5001 & above** | **96** | **1.51** |

**Credit rating obtained by the company**

| | |
|---|---|
| Credit Rating for Rs. 100.00 crore Line of Credit – Long term | ICRA BB- (pronounced lCRA double B minus) |
| Credit Rating for Rs. 100.00 crore Line of Credit – Short term | ICRA A4 (pronounced ICRA A four) |
| proposed issue of Unsecured Non -Convertible redeemable debentures amounting to Rs. 50 Crore on private placement by the company | ICRA BB- (pronounced as ICRA double B minus) |




| | |
|---|---|
| Registrar and transfer agent | The Company has appointed Sharex Dynamic (India) Pvt. Ltd.as its Registrar and Transfer Agent. Share transfers, dematerialisation of shares, dividend payment and all other investor related activities are attended to and processed at the office of the Registrar and Transfer Agent:-<br>Sharex Dynamic (India) Pvt. Ltd.<br>Unit no.1, LuthraInd.Premises, Safed Pool,<br>Andheri Kurla Road, Andheri (East), Mumbai-400072<br>Ph no: 022 28515606<br>Email Id: sharexindia@vsnl.com<br>Web Site: http://www.sharexindia.com/ |
| Share Transfer system | The Share transfer is processed by the Registrar & Share Transfer Agent and approved by Share Transfer Committee, if the documents are complete in all respects, within 21 days from the date of lodgment. |
| Dematerialisation of shares and liquidity | 100% shares are in demat form as on March 31, 2019 |
| Sub-divided share certificate in lieu of sub-divided each Equity old certificates | NA |
| Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity | The Company has not issued GDRs / ADRs / Warrants or any Convertible instruments. |
| Plant locations | NA |
| Address for correspondence | 2nd Floor, Gulmohar Status Above Business Bank, Samarth Nagar<br>Nashik-422005<br>Tel : 0253-2351090<br>Email Id: admin@kardaconstruction.com<br>Mrs. Mayura Marathe<br>Company Secretary |
| | Email Id: kcpl.mayura@gmail.com<br><br>Registrar and transfer agent<br>Sharex Dynamic (India) Pvt. Ltd.<br>Please refer details above for address / contact details etc |

**SEBI COMPLAINTS REDRESS SYSTEM (SCORES)**

SEBI vide circular dated 3rd June, 2011 introduced SCORES, i.e., SEBI Complaints Redress System the system of processing of investors complaints in a centralized web based complaints redress portal known as 'SCORES'. The salient features of this system are: centralized database of all Complaints, online upload Action Taken Reports (ATRs) by concerned Companies and online viewing by investors of action taken on the complaints and its current status.The Company is registered with SEBI under the SCORES system.

**RECONCILIATION OF SHARE CAPITAL AUDIT**

A practicing Company Secretary carries out reconciliation of share capital audit, on half -yearly basis to reconcile the total admitted capital with NSDL & CDSL and total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL & CDSL.

**BY ORDER OF THE BOARD**
**FOR KARDA CONSTRUCTION LIMITED**

| | |
|---|---|
| **NARESH KARDA** | **MANOHAR KARDA** |
| **MANAGING DIRECTOR** | **WHOLE TIME DIRECTOR** |
| **(DIN: 01741279)** | **(DIN: 01808564)** |

**(Authorised to sign and serve vide Board Resolution dated 23.08.2018)**

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# Declaration –Code of Conduct

As per Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members and Senior Management personnel have affirmed compliance with the applicable Code of Conduct for the Financial Year 2018-19.

For Karda Constructions Limited

Naresh Karda
Chairman &Managing Director
DIN: 01741279

Date :August 13,2019
Place : Nashik

# ANNEXRUE IV
# CERTIFICATE ON COMPLIANCE WITH SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS), REGULATIONS, 2015 RELATING TO CORPORATE GOVERNANCE REQUIREMENTS BY KARDA CONSTRUCTIONS LIMITED

I have examined the compliance of the conditions of Corporate Governance by Karda Constructions Limited for the year ended 31st March, 2019, as stipulated in regulations 17 to 27, 46(2) (b) to (i) and para C, D, E of SEBI (Listing Obligations and Disclosure Requirements Regulations.

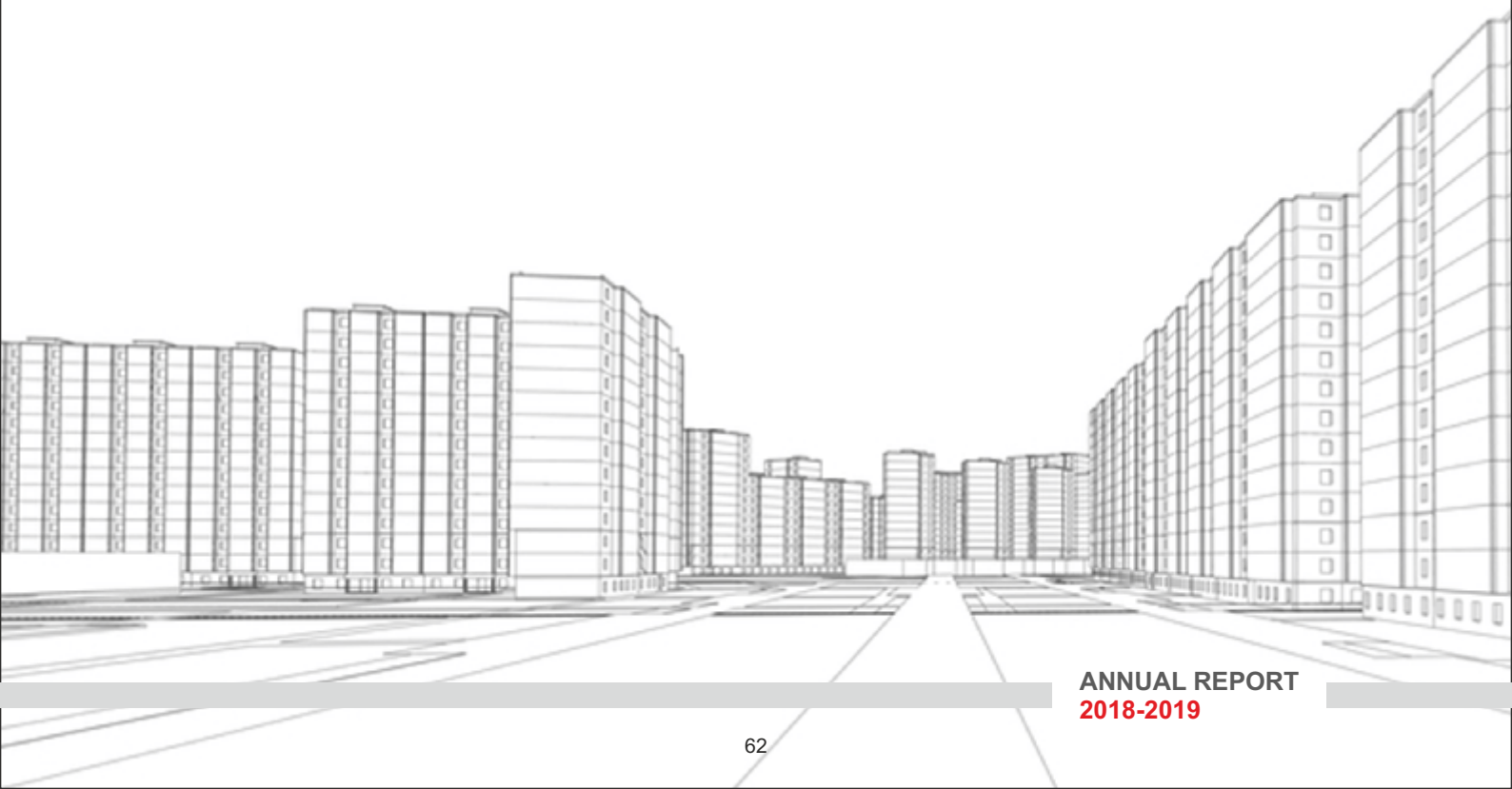
The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI (LODR) Regulations, 2015.

I state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Date: August 14, 2019

Dhruvalkumar D Baladha
Practicing Company Secretary
M. No. 38103
COP No. 14265



# ANNEXRUE V
# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

**INDUSTRY OVERVIEW**

The real estate sector is one of the most globally recognized sectors. Real estate sector comprises four sub sectors - housing, retail, hospitality, and commercial. The growth of this sector is well complemented by the growth of the corporate environment and the demand for office space as well as urban and semi-urban accommodations. The construction industry ranks third among the 14 major sectors in terms of direct, indirect and induced effects in all sectors of the economy. It is also expected that this sector will incur more non-resident Indian (NRI) investments in both the short term and the long term.

Real estate sector in India is expected to contribute 13 per cent of the country's GDP by 2025. Retail, hospitality and commercial real estate are also growing significantly, providing the much-needed infrastructure for India's growing needs.

The Indian real estate sector has witnessed high growth in recent times with the rise in demand for office as well as residential spaces. Institutional investments in India's real estate are expected to reach US$ 5.5 billion for 2018, the highest in a decade.

**Opportunities and Threats**

**Affordable Housing**

Affordable housing is not a part of Indian real estate sector till now but recently attracted attention from prominent developers and private equity players. It is yet to be defined clearly in India. Affordable housing is vastly emerging as a new asset class for developers as well as private equity players who are ready to tap the immense prospective in this segment. The key successful factors for affordable housing include the use of alternate materials, low cost techniques and mechanisms, as apart from the faster approvals from the government.

**Government Initiatives**

The Government of India along with the governments of the respective states has taken several initiatives to encourage the development in the sector. The Smart City Project, where there is a plan to build 100 smart cities, is a prime opportunity for the real estate companies. Below are some of the other major Government Initiatives:

- Under the Pradhan Mantri Awas Yojana (PMAY) Urban, more than 8.09 million houses have been sanctioned up to May 2019.
- In February 2018, creation of National Urban Housing Fund was approved with an outlay of Rs 60,000 crore (US$ 9.27 billion).
- Under the Pradhan Mantri Awas Yojana (PMAY) Urban 1,427,486 houses have been sanctioned in 2017-18. In March 2018, construction of additional 3,21,567 affordable houses was sanctioned under the scheme

**Segment–wise or product-wise performance**

The Karda Group is a well established Nashik based group having its presence in the construction industry for more than two decades. The group was founded by our promoter Mr. Naresh Karda in year 1994. In the years following its inception the group concentrated on developing affordable housing in the residential segment and from year 2001 onwards, the group diversified into commercial segment.

Company has completed 20 projects built in carpet area of 10, 80, 072 Sq Ft consisting 1072 residential units and 78 commercial units. Company has 17 on-going projects comprising approx more than 2000 residential units and 93 commercial units to be built in Carpet area of 19, 91,419 Sq Ft approx.

Also company has been successful in getting new works contract during the financial year 2018-19. The current value of the Works contract that company has is approximately ₹ 153.91.

**Outlook and Initiatives for the Current Year and Thereafter**

Your company intends to focus on the completion of it's the 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.

**Risks and concerns**

Inventory pile-up in the Indian real estate sector

Some of the major Indian cities have faced a sharp decline in property prices as well as lending rates.

The pile up has been caused due to a number of reasons like fall in demand, litigation issues, failure to deliver projects on time, poor planning, etc. Hence high interest has to be paid on such unsold units. This also delays launch of new projects.

**Low rental yield from the Indian real estate sector**

Rental yield is the key determining factor of purchase and the value of a property A high yield is important for making an investment in the property. Rental yields in India is among the lowest in the world at 2.2% (Equitymaster, 2016). This makes buyers looking for property only as investment somewhat skeptical of purchasing. Also gross rental income in the major cities Mumbai, New Delhi, and Bangalore are quite poor despite a consistent rise in property prices (Shanu, 2016; Singh, 2017). This indicates that real estate in India is overpriced in some locations, making it a dull investment option. Thus low rental yield is a major challenge for real estate.

**Difficulty in getting bank loans and delay in possession**

Home loan seekers commonly face difficulties in procuring a loan from banks and non-banking financial institutions (NBFCs). The top reason is facing rejection of application due to lack of knowledge about documentation and lack of required credit score. Another reason is lack of required sum for down payment on the loan. In most cases banks approve loans quickly; they take much longer to disburse the loan. During this period customers are faced with increased costs and waning interest on the property. Despite the launch of friendly mobile applications and instant customer service, this issue remains grave in the financial sector.

Most developers initiate several projects at a point of time and start advertising much before the completion of the project to attract the customers. However stoppage in construction of property due to varied reasons such as lack of funds, litigation, failure to procure necessary licenses, etc. causes a delay in completion of the project. Due to this buyers fail to get their property on time but are faced with the burden of repayment of loan.

**Need of support from the Government**

Of all the challenges reviewed real estate sector of India, only two issues have lately been addressed on a macro scale;

1. eradication of a complex tax structure with the implementation of GST and
2. Addressing inventory pile-up by implementing the RERA (Real Estate Regulatory Authority) bill.

**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 unauthorized 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.

**Discussion on financial performance with respect to operational performance.**

During the Financial Year 2018-19, revenue from operations was Rs. 10529.66 Lakhs as compared to Rs. 12,679 Lakhs during the previous year. Profit after tax for the financial year is Rs. 1202.35 Lakhs as compared to profit of Rs.1301.40 of previous year.

**Key Financial Ratios**

Details of significant changes - (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations: No significant change compared to the immediately previous financial year.

The total number of employees stands at 71 as on March 31, 2019

**Details of any change in Return on Net Worth as compared to the immediately previous financial year:**

| Particulars | 2018-19 | 2017-18 |
|---|---|---|
| Return on Net Worth (%) | 13.54% | 22.89% |

Return on net worth is computed as net profit by average net worth.

**Cautionary Statement**

Statements in the Management Discussion and Analysis describing the Company's objective, projections, estimates and expectations may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company operations include, among others, economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in government regulations, tax laws and other statutes and incidental factors.

# ANNEXURE VI
## Reporting of Corporate Social Responsibility (CSR)

1. **Period for which CSR is being reported-**
   From 1.04.2018 to 31.03.2019

2. **Whether information includes information about subsidiary company- No**
   **If yeas, then indicate number of such subsidiary company(s)-NA**

3. **Whether information includes information about any other entity(s) (e.g. supplies, value chain etc.)- No**
   **If yes, then indicate number of such entity(s)-NA**

4. **Does the company have a written CSR policy-** Yes
   **Brief contents of the CSR policy-**
   The CSR Policy is formulated with intention to Strive for economic development that positively impacts the society at large with minimal resources.Also to embrace responsibility for the Company's actions and encourage a positive impact through its activities on hunger, poverty, malnutrition, environment, communities, stakeholders and the society. The CSR policy of the company is available on web site of the company i.e. www.kardaconstruction.com

5. **The Composition of the CSR Committee-**

   The committee comprises of following members-

   | | |
   |---|---|
   | Mr. Rahul Dayama | Chairman |
   | Mrs. Disha Karda | Member |
   | Mr. Naresh Karda | Member |

   The CSR Committee was reconstituted by way of resolution passed at the meeting of board of directors held on August 30, 2018.

6. **Average net profit of the company for last three financial years-**
   The average net profit of the company for last three financial years is Rs. 13,51,91,398/-

7. **Prescribed CSR Expenditure-**
   The prescribed CSR expenditure as per section 135 is Rs. 27,03,828/-.

8. **Details of CSR spent during the financial year**
   a. Total amount to be spent for the financial year- Rs. 27,03,828/-
   b. Total amount spent by the company is Rs. 27,13,880/-
   c. Amount unspent, if any
   The amount unspent by the company is NIL
   d. Manner in which the amount spent during the financial year is detailed below-

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
|---|---|---|---|---|---|---|---|
| S. No. | CSR project or activity identified | Sector in which the Project is Covered | Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken | Amount outlay (budget) project or programs wise | Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads: | Cumulative expenditure up to the reporting period | Amount spent: Direct or through implementing agency * |
| 1 | Tree Plantation | ensuring environmental sustainability | Nashik city | Rs. 1,00,000/- | Rs.30,000/- | Rs.30,000/- | Directly |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 2 | Eradicating Hunger | Eradicating hunger, poverty & malnutrition | Nashik city | Rs. 4,00,000/- | Rs.4,00,910/- | Rs.4,00,910/- | Directly |
| 3 | Promoting Education | Promoting Education among children and Women and Adult Literacy | Nashik city | Rs. 22,50,000/- | Rs.22,82,970/- | Rs.22,82,970/- | Direct and through Implementing agency |

**9. In case the company has failed to spend the two per cent. of the average net profit of the last three financial years or any part thereof, the reasons for not spending the amount in its Board report-**

**10.** NA

**11. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company-**

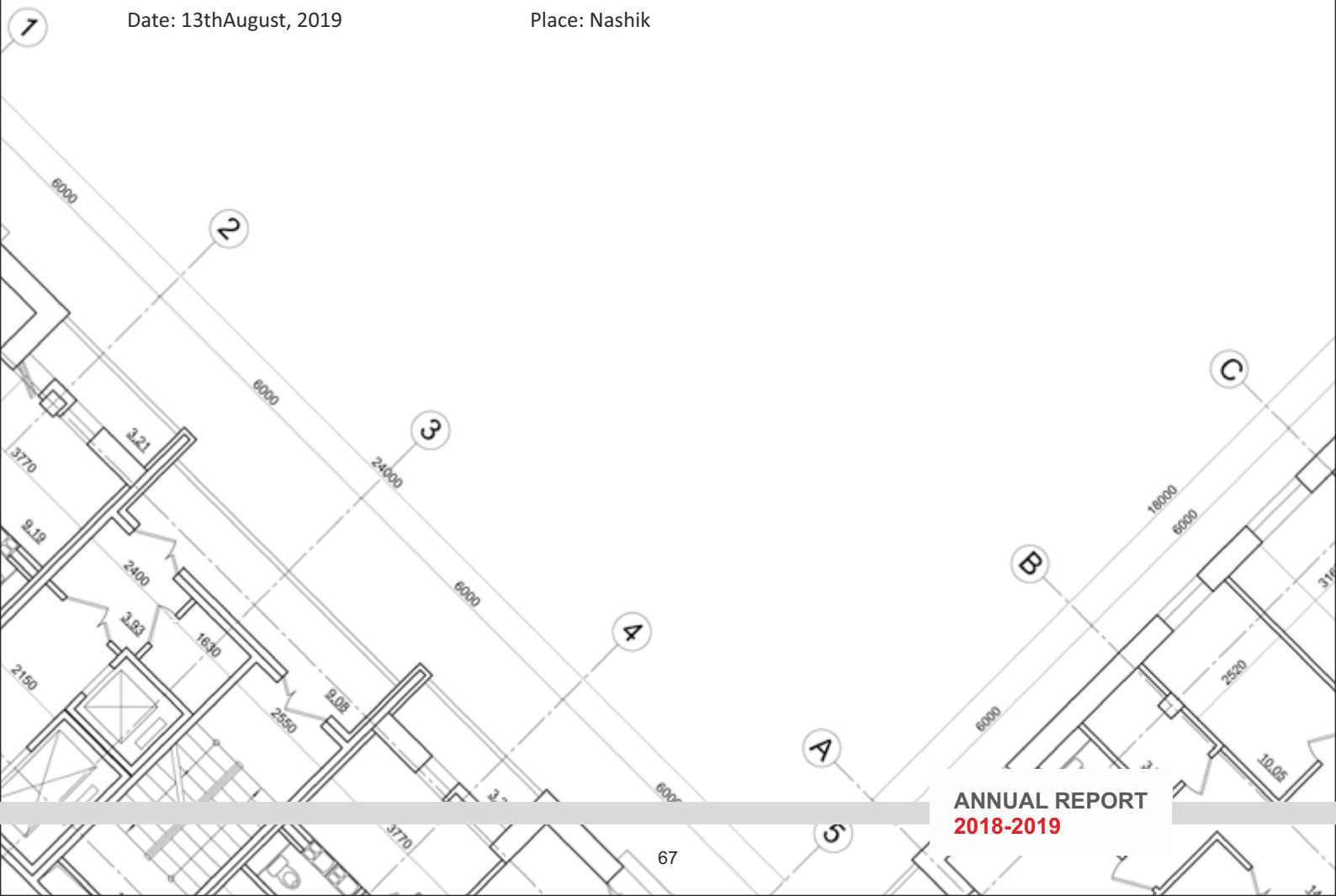
The members of CSR committee hereby declare that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the company.

**FOR AND ON BEHALF OF THE BOARD OF**
**KARDA CONSTRUCTIONS LIMITED**

| | | |
|---|---|---|
| **NARESH KARDA** | **MANOHAR KARDA** | **RAHUL DAYAMA** |
| **MANAGING DIRECTOR** | **WHOLE TIME DIRECTOR** | **CHAIRMAN OF CSR COMMITTEE** |
| **(DIN: 01741279)** | **(DIN: 01808564)** | **(DIN: 07906447)** |

**(Authorised to sign and serve vide Board Resolution dated 13.8.2019)**

Date: 13thAugust, 2019 Place: Nashik



## AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

| | | |
|---|---|---|
| a. | Name(s) of the related party and nature of relationship | N.A. |
| b. | Nature of contracts/arrangements/transactions | N.A. |
| c. | Duration of the contracts / arrangements/transactions | N.A. |
| d. | Salient terms of the contracts or arrangements or transactions including the value, if any | N.A. |
| e. | Justification for entering into such contracts or arrangements or transactions | N.A. |
| f. | date(s) of approval by the Board | N.A. |
| g. | Amount paid as advances, if any: | N.A. |
| h. | Date on which the special resolution was passed in general meeting as required under first proviso to section 188 | N.A. |

2. Details of material contracts or arrangement or transactions at arm's length basis

**A.**

| | | |
|---|---|---|
| a. | Name(s) of the related party and nature of relationship | NA |
| b. | Nature ofcontracts/arrangements/transactions | NA |
| c. | Duration of the contracts / arrangements/transactions | NA |
| d. | Salient terms of the contracts or arrangements or transactions including the value, if any | NA |
| e. | Justification for entering into such contracts or arrangements or transactions | NA |

-

| | | |
|---|---|---|
| f. | Date(s) of approval by the Board | NA |
| g. | Amount paid as advances, if any: | NA |
| h. | Date on which the special resolution was passed in general meeting as required under first proviso to section 188 | NA |

**FOR AND ON BEHALF OF THE BOARD**
**OF KARDA CONSTRUCTIONS LIMITED**

**NARESH KARDA**
**MANAGING DIRECTOR**
**(DIN: 01741279)**

**MANOHAR KARDA**
**WHOLE TIME DIRECTOR**
**(DIN: 01808564)**

**(Authorised to sign and serve vide Board Resolution dated 13.08.2019)**

Date: August 13, 2019 Place: Nashik

# ANNEXURE VIII
## Details of Remuneration of Directors, KMPs and Employees and comparatives

[Pursuant to Section 197 and Rule 5(1) of the companies (Appointment and Remuneration of Managerial Remuneration) Rule, 2014]

a. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year and the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the Fiscal 2019:

| Sr. No. | Names of Directors | Designation | Remuneration/ Sitting Fees (` in lakhs) | Ratio of Directors remuneration | % increase in the remuneration |
|---|---|---|---|---|---|
| 1. | Naresh Jagumal Karda | Managing Director | 12 | 513% | 0% |
| 2 | Disha Naresh Karda | Director | 12 | 513% | 0% |
| 3 | Manohar Jagumal Karda | Whole time Director | 12 | 513% | 0% |
| 4 | Shweta Raju Tolani | Non – Executive Independent Director | 1.30 | 56% | 0% |
| 5 | Rahul Kishor Dayama | Non – Executive Director | 1.12 | 48% | 0% |
| 6 | Sandeep Ravindra Shah | Non – Executive Independent Director | 0.49 | 21% | 0% |
| 7 | Anil Nahata | CFO | 6.50 | 278% | 0% |
| 8 | Mayura Marathe | Company Secretary | 3.81 | 163% | 17% |

B. The number of permanent employees on the rolls of Company as at March 31, 2019: 71

The Median Remuneration of employees for the Fiscal year 2019 is Rs. 2.34 Lakh

C. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

| Employee Group | Average percentage increase / (decrease) in Salaries for Fiscal 2018-19 (in %) |
|---|---|
| All permanent employees | 9.23% |
| ExecutiveDirectors/Managerial Remuneration | |
| Naresh Jagumal Karda | NA |
| Manohar Jagumal Karda | NA |
| Disha Naresh Karda | NA |

**Top 10 employees in terms of remuneration drawn during the year**

| Name of employee | Designation of the employee | Remuneration received | Qualifications and experience of the employee | Date of commencement of employment | Age | The last employment held | The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) above | Whether employee is a relative of any director or manager of the company and if so, name of such director or manager |
|---|---|---|---|---|---|---|---|---|
| Naaresh Jagumal Karda | CMD | 12 | Diploma in Civil Engineering | 17/09/2007 | 46years | NA | 45.5% | Spouse of Mrs. Disha Karda and brother of Mr. Manohar Karda |
| Manohar Jagumal Karda | WTD | 12 | Under graduate | 10/10/2008 | 47 years | NA | 3.7% | brother of Mr. Naresh Karda |
| Disha Naresh Karda | Director | 12 | B Com ,B Ed | 29/02/2016 | 45 years | NA | 2% | Spouse of Mr. Naresh Karda |
| Prem Jagumal Karda | Sales Head | 12 | Under graduate | 01/04/2014 | 42 years | NA | 4.8% | brother of Mr. Naresh Karda and Manohar Karda |
| Liyakat Khan | General Manager | 7.99 | B COM, MLW | 01/03/2018 | 51 years | CFO at Atul Enterprise | NIL | NA |
| Anil Nahata | CFO | 6.50 | Chartered Accountant | 01/07/2017 | 54 years | COO at Viraj Estate | NIL | NA |
| Rajesh Zagade | Senior Engineer | 7.8 | Civil Engineer | 01/07/2014 | 38 years | NA | NIL | NA |
| Poonam Mahadik | Civil Engineer | 7.8 | Civil Engineer | 01/04/2018 | 42 years | NA | NIL | NA |
| Amit Motikar | Collection Dept Head | 5.46 | Graduate | 01/07/2014 | 43 years | NA | NIL | NA |
| Chetan D Sonawane | Civil Engineer | 5.2 | Civil Engineer | 01/06/2019 | 32 years | Senior Engineer at Lanco Infratech Ltd | NIL | NA |

D. Affirmation that the remuneration is as per the remuneration policy of the Company:

The remuneration for Managing Director ("MD")/ Executive Directors ("ED")/ KMP/ rest of the employees is as per the remuneration policy of the Company.

**FOR AND ON BEHALF OF THE BOARD**
**OF KARDA CONSTRUCTIONS LIMITED**

**NARESH KARDA** **MANOHAR KARDA**
**MANAGING DIRECTOR** **WHOLE TIME DIRECTOR**
**(DIN: 01741279)** **(DIN: 01808564)**
**(Authorised to sign and serve vide Board Resolution dated 13.08.2019)**

Date: August 13,2019 Place: Nashik

# ANNEXURE IX

**FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019**

**[Pursuant to section 204(1) of the Companies Act, 2013 and rule no.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]**

To,
The Members,
Karda Constructions Limited

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Karda Constructions Limited (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on March 31, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of:

(I) The Companies Act, 2013 (the Act) and the rules made thereunder;
(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder (to the extent applicable);
(iii) The Depositories Act, 1996 and the Regulations and Bye laws framed thereunder;
(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowing – *not applicable since the Company does not have any FDI, ODI or ECB;*
(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-

- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 - *Not Applicable;*
- Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - *Not Applicable;*
- The Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 and/or SEBI (Share Based Employee Benefits) Regulations, 2014 – *Not Applicable;*
- The Securities and Exchange Board of India (Issue and Listing of Debts Securities) Regulations, 2008 – *Not Applicable*;
- The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with the client - *Not Applicable*;
- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - *Not Applicable*;
- The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998 - *Not Applicable*.

vi The Management has identified and confirmed the following laws specifically applicable to the company:

- Industrial Dispute Act, 1947;
- The Payment of Wages Act, 1936;
- The Minimum Wages Act, 1948;
- Employees' State Insurance Act, 1948;
- The Employees' Provident Funds and Misc. Provisions Act, 1952
- The Payment of Bonus Act, 1965
- The Payment of Gratuity Act, 1972;
- The Maternity Benefit Act, 1961;
- The Child Labour (Prohibition & Regulation) Act, 1986
- The Industrial Employment (Standing Order) Act, 1946;
- The Employee Compensation Act, 1923;
- Equal Remuneration Act, 1976;

(m) The Employment Exchange (Compulsory Notification of Vacancies) Act, 1956;
(n) Water (Prevention and Control of Pollution) Act, 1974
(o) Environment (Protection) Act, 1986;
(p) The Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013;
(q) Indian Stamp Act, 1899
(r) Transfer of Property Act, 1882
(s) Indian Contract Act, 1872;
(t) Building & Other Construction Workers (Regulation of Employment & Condition of Service) Act,1996;
(u) Contract Labour (Regulation and Abolition) Act, 1970;
(v) Real Estate (Regulation and Development) Act, 2016.

I have also examined compliance with the applicable clauses of the following:
(a) Secretarial Standards with regard to Meeting of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of the Company Secretaries of India; and
(b) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I report that during the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards etc. mentioned above:

I further report that –
· The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.
· Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed proposal on agenda were sent in advance duly complying with the time limits specified and a system exits for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
· All decisions of the Board and Committees were carried with requisite majority.

I further report that based on the information provided by the Company, its officers and authorised representatives during the conduct of the audit, in my opinion adequate systems and processes and control mechanism exists commensurate with the size and operation of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that the compliance by the Company of applicable financial laws like direct and indirect tax laws has not been reviewed in this audit since the same has been subject to review by statutory financial auditor and other designated professionals.

I further report that during the audit period, there was no other specific event/action in pursuance of the above referred laws, rules, regulations, guidelines, etc. referred to above, having major bearing on the Company's affairs.

Date: August 14, 2019

Dhruvalkumar D Baladha
Practicing Company Secretary
M. No. 38103
COP No. 14265

***Note: This report is to be read with my letter of even date which is annexed as 'Annexure A' and forms an integral part of this report.***

# Annexure A

**To,**

**The Members,**

**Karda Constructions Limited**

**My report of even date is to be read with this letter**.

- Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
- I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed, provide reasonable basis for my opinion.
- I have not verified the correctness and appropriateness of financial records and books of accounts of the Company. Wherever required, I have obtained the management representation about the compliance of the laws, rules and regulations and happening of events etc.
- The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. My examination was limited to the verification of procedure on test basis.
- The secretarial audit report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Date: August 14, 2019**

**Dhruval Kumar D Baladha**

**Practicing Company Secretary**

**M. No. 38103**

**COP No. 14265**

# Independent Auditors' Report

**To The Members of**
**Karda Constructions Limited**

**Report on the Audit of the Standalone Financial Statements Opinion**

We have audited the standalone financial statements of Karda Constructions Limited ("the Company"), which comprise the balance sheet as at 31 March 2019, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| The Key Audit Matter | How the matter was addressed in our audit |
|---|---|
| **1. Accuracy of revenue recognition, measurement, presentation and disclosures as per IndAS 115 "Revenue from Contracts with Customers".** | |
| Revenue from sale of residential and commercial units represents 82.56% of the total revenue from operations of the Company.<br>Revenue is recognised upon transfer of control of residential and commercial units to customers. The trigger for revenue recognition is normally completion of the project or receipt of approvals on completion from relevant authorities. The Company records revenue over time till the actual possession to the customers or on actual possession to the customers, as determined by the terms of contract with customers. | ***Principle Audit Procedures***<br>· #Evaluating that the Company's revenue recognition accounting policies are in line with the applicable accounting standards;<br>· #Identifying the impact on adoption of the new IndAS 115;<br>· # Selection of samples of continuing and new contracts with the customers;<br>· Scrutinising all the revenue journal entries raised throughout the reporting period and comparing details of a sample of these journals with relevant underlying documentation; |

| | |
|---|---|
| **Measurement of revenue recorded over time which is dependent on the estimates of the costs to complete**<br>Revenue recognition involves significant estimates related to measurement of costs to complete for the projects. Revenue from projects is recorded based on management's assessment of the work completed, costs incurred and accrued and the estimate of the balance costs to complete. Since revenue recognition has direct impact on the Company's profitability, the element of management bias is likely to be involved.<br>Due to the inherent nature of the projects and significant judgment involved in the estimate of costs to complete, there is risk of overstatement or understatement of revenue. | · #Conducting site visits during the year for selected projects to understand the scope and nature of the projects and to assess the progress of the projects;<br>· #Testing sample sales of units for projects with the underlying contracts, completion status and proceeds received from customers;<br>· Evaluation of industry wide procedures adopted for the revenue recognition under this standard.<br>**Measurement of revenue recorded over time which is dependent on the estimates of the costs to complete**<br>· #Compared, on a sample basis, revenue transactions recorded during the year with the underlying contracts, progress reports, invoices raised on customers and collections in bank accounts and whether the related revenue had been recognized in accordance with the Company's revenue recognition policies;<br>· #Identification and testing operating effectiveness of key controls over recording of actual costs incurred for the projects;<br>· #Sighting approvals for changes in estimated costs with the rationale for the changes and related documentation.<br>· Comparison of the estimated costs with the costing details as mentioned for registration of the projects with the MahaRERA website. |
| **2.Valuation of Inventories – Assessing the net realisable value** | |
| Inventory represents the capitalized project costs to date less amounts expensed on sales by reference to the aforementioned projections. It is held at the lower of cost and net realisable value (NRV), the latter also being based on the forecast for the project. As such inappropriate assumptions in these forecasts can impact the assessment of the carrying value of inventories. | ***Principle Audit Procedures***<br>· #Discussion with the management to understand the basis of calculation and justification for the estimated recoverable amounts of the unsold units (“the NRV assessment”);<br>· #Evaluating the design and implementation of the Company's internal controls over the NRV assessment. Our evaluation included assessing whether the NRV assessment was prepared and updated by appropriate personnel of the Company and whether the key estimates, including estimated future selling prices and costs of completion for all property development projects, used in the NRV assessment, were discussed and challenged by management as appropriate; |

| | |
|---|---|
| | · Evaluating the management's valuation methodology and assessing the key estimates, data inputs and assumptions adopted in the valuations, which included comparing expected future average selling prices with available market data such as recently transacted prices for similar properties located in the nearby vicinity of each property development project and the sales budget plans maintained by the Company. |
| **3 ) Tax Assessments** | |
| Review, effect and presentation of completed tax assessments | ***Principle Audit Procedures***<br>Verification of details of completed tax assessments and demands as at 31st March, 2019, followed by verification of tax refunds on completed tax assessments and treatment of the same in books of account and financial statements. |

**Other Information**

The Company's management and Board of Directors are responsible for the preparation of other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure's to Board's Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

**Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

## Auditors' Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

# Report on Other Legal and Regulatory Requirements

- 1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- As required by Section 143(3) of the Act, we report that:
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact of pending litigations as at 31 March 2019 on its financial position in its standalone financial statements - Refer Note 24 to the standalone financial statements;
- The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2019; and
- The disclosures in the standalone financial statements regarding holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31 March 2019.

For **M/s. JPL & Associates,**
Chartered Accountants
Firm Registration No. 132748W

**CA. Vipul Lathi**
Partner
Membership No: 134897

Place: Nashik
Date: 29th May, 2019

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2019, we report the following:

**(I) In respect of Property, Plant and Equipments**

a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and investment properties.

b) The Company has a regular programme of physical verification of its property, plant and equipment and investment properties by which the property, plant and equipment and investment properties are verified by the management according to a phased programme designed to cover all the items over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the policy, the Company has physically verified certain property, plant and equipment and investment properties during the year and no discrepancies were noticed in respect of assets verified during the year.

c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

**(ii) In respect of Inventories**

In our opinion and according to the information and explanations given to us, having regard to the nature of inventory, the physical verification by way of verification of title deeds, site visits by the management and certification of extent of work completion by competent persons, are at reasonable intervals. The Company inventory includes construction work in progress accordingly the requirements under paragraph 3(ii) of the Order is not applicable for construction work in progress. The inventory comprising of finished goods has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. No discrepancies were noticed on verification between the physical stocks and the book records.

**(iii) Compliance under section 189 of the Companies Act, 2013**

As informed by the company, company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

a) Company has not granted such loan during the period.

b) As informed to us the Company has not granted any loans, secured or unsecured, hence the question of repayment of loans does not arise. Consequently the said sub clause of the Order is not applicable to the Company.

c) As informed to us the Company has not granted any loans, secured or unsecured, during the year under audit, hence the question of overdue amount of loans does not arise. Consequently the said sub clause of the Order is not applicable to the Company.

**(iv) Compliance under section 185 and 186 of The Companies Act, 2013**

In our opinion and according to the information and explanations given to us and based on the audit procedures conducted by us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to loans and investments made by the Company. The Company has not provided any security during the year to the parties covered under Sections 185 and 186 of the Act. Accordingly, compliance under Section 185 and 186 of the Act in respect of providing securities is not applicable to the Company.

**(v) Compliance under section 73 to 76 of The Companies Act, 2013 and Rules framed there under while accepting Deposits**

In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3 (v) of the Order is not applicable to the Company.

**(vi) Maintenance of cost records**

We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under Section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the same

**(vii) Deposit of Statutory Dues**

- According to the information and explanations given to us and on the basis of our examination of records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Goods and Service tax, Labour cess, Professional tax, Property tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. Amounts deducted / accrued in the books of account in respect of undisputed statutory dues of Income tax have generally been regularly deposited during the year by the Company with the appropriate authorities, though there have been slight delays in a few cases. As explained to us, the Company did not have any dues on account of wealth tax.

  According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Profession tax, Property Tax, Labour cess, Income-tax, Goods and Service tax, Cess and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.
- According to the information and explanations given to us, there are no dues of Income-tax, Sales tax, Service tax, Value added tax and Goods and Service tax as at 31 March 2019, which have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

(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 | A Y 2014-15 | 1.50 | 1.50 | Income Tax Appellate Tribunal (ITAT) |
| Income Tax Act, 1961 | Income Tax | A Y 2015-16 | 36.13 | 36.13 | |

**(vii) Repayment of Loans and Borrowings**

In our opinion and according to the information and explanations given to us, the Company has not defaulted during the year in repayment of loans or borrowings to banks or financial institutions or dues to debenture holders. The Company does not have any loans or borrowings from government during the year.

**(ix) Utilization of Money Raised by Public Offers and Term Loan For which they Raised**

The Company has not raised any money by way of initial public offer or further public offer (including debt instruments). However, the company has raised money by way of term loans during the year. In our opinion and according to the information and explanations given to us, the proceeds of term loans have been applied by the Company for the purposes for which they were raised, other than temporary deployment pending application of proceeds.

**(x) Reporting of Fraud During the Period**

During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.

**(xi) Managerial Remuneration**

In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

**(xii) Compliance by Nidhi Company Regarding Net Owned Fund to Deposits Ratio**

In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.

**(xiii) Related party compliance with Section 177 and 188 of Companies Act, 2013**

In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

**(xiv) Compliance under section 42 of the Companies Act, 2013 regarding private placement of Shares or Debentures**

According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence reporting under clause (xiv) of paragraph 3 of the Order is not applicable to the Company.

**(xv) Compliance under section 192 of Companies Act, 2013**

According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.

**(iii) Requirement of Registration under 45-IA of Reserve Bank of India Act, 1934**

In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable to the Company.

**For JPL & Associates, Chartered Accountants**
Firm Registration No. 132748W

**CA. Vipul Lathi**
Partner Membership No: 134897

**Place: Nashik**
Date: 29th May, 2019

# ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT – 31 MARCH 2019

**Report on the Internal Financial Controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

**(Referred to in paragraph (A) (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

We have audited the internal financial controls over financial reporting of **Karda Constructions Limited** ("the Company") as of 31st March, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company.
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on, "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

**For JPL & Associates,**
**Chartered Accountants**
Firm Registration No. 132748W

**CA. Vipul Lathi**
Partner Membership No: 134897

Place: Nashik
Date: 29th May, 2019

# KARDA CONSTRUCTIONS LIMITED

CIN : L45400MH2007PLC174194

## STANDALONE STATEMENT OF ASSETS & LIABILITIES AS ON MARCH 31, 2019

(INR In Lakhs)

| Sr. No. | Particulars | Note No. | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|---|
| | **ASSETS** | | | |
| 1 | **Non-Current Assets** | | | |
| | (a) Property, Plant and Equipment | 3 | 166.07 | 177.15 |
| | (b) Investment Properties | 4 | 22.21 | 22.21 |
| | (c) Financial Assets | | | |
| | (i) Investments | 5(a) | | |
| | - In Partnership Firms | | 0.22 | 0.22 |
| | - In Others | | 30.03 | 29.03 |
| | (ii) Loans & Advances | 5(b) | 825.32 | 594.15 |
| | (iii) Other Financial Assets | 5(c) | 2,478.60 | 904.52 |
| | (d) Other Non-Current Assets | 6 | 211.82 | 234.17 |
| | **Total Non-Current Assets** | | **3,734.27** | **1,961.45** |
| | | | | |
| 2 | **Current Assets** | | | |
| | (a) Inventories | 7 | 15,468.13 | 14,111.73 |
| | (b) Financial Assets | | | |
| | (i) Investments | 5(a) | 2,701.01 | 202.86 |
| | (ii) Trade Receivables | 5(d) | 1,124.85 | 166.76 |
| | (iii) Cash and Cash Equivalents | 5(e) | 650.47 | 9,191.35 |
| | (iv) Loans & Advances | 5(b) | 2,229.19 | 3,517.98 |
| | (v) Other Financial Assets | 5(c) | 1.01 | 0.55 |
| | (c) Current Tax Assets (Net) | 5(f) | 522.71 | 619.65 |
| | (d) Other Current Assets | 6 | 114.72 | 171.64 |
| | **Total Current Assets** | | **22,812.09** | **27,982.51** |
| | | | | |
| | **Total Assets (1+2)** | | **26,546.36** | **29,943.96** |
| | | | | |
| | **EQUITY AND LIABILITIES** | | | |
| 1 | **EQUITY** | | | |
| | (a) Equity Share Capital | 8(a) | 1,230.00 | 1,230.00 |
| | (b) Other Equity | 8(b) | 8,194.03 | 7,106.54 |
| | **Total Equity** | | **9,424.03** | **8,336.54** |
| | | | | |
| | **LIABILITIES** | | | |
| 2 | **Non-Current Liabilities** | | | |
| | (a) Financial Liabilities | | | |
| | (i) Borrowings | 9(a) | 4,697.56 | 6,696.23 |
| | (ii) Other Financial Liabilities | 9(b) | 57.38 | 12.71 |
| | (b) Other Non-Current Liabilities | 10 | 1,479.97 | 1,332.25 |
| | (c) Provisions | 11 | 24.22 | 16.82 |
| | (d) Deferred Tax Liabilities | 12 | 2.65 | 3.93 |
| | **Total Non-Current Liabilities** | | **6,261.78** | **8,061.94** |

| | | | | |
|---|---|---|---|---|
| 3 | **Current Liabilities** | | | |
| | (a) Financial Liabilities | | | |
| | (i) Borrowings | 9(a) | 2,674.47 | 3,498.84 |
| | (ii) Trade Payables | 13 | | |
| | - Total Outstanding Dues of Micro Enterprises and Small Enterprises | | 83.95 | 37.07 |
| | - Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises | | 1,664.26 | 1,412.56 |
| | (iii) Other Financial Liabilities | 9(b) | 5,983.53 | 6,092.27 |
| | (b) Provisions | 11 | 20.15 | 51.17 |
| | (c) Current Tax Liabilities (Net) | 14 | 395.00 | 583.20 |
| | (d) Other Current Liabilities | 15 | 39.20 | 1,870.36 |
| | **Total Current Liabilites** | | **10,860.56** | **13,545.48** |
| | | | | |
| | **Total Equity & Liabilities (1+2+3)** | | **26,546.36** | **29,943.96** |
| **Significant Accounting Policies** | | 1 | | |

The accompanying notes 1 to 39 form an integral part of the Financial Statements.

As per our report of even date

**For JPL & Associates**
***Chartered Accountants***
(Firm Registration No. 132748W)

**For and on behalf of the Board of Directors**

**CA VIPUL LATHI**
*Partner*
Membership No.134897

**NARESH KARDA**
*Chairman & MD*
DIN: 01741279

**MANOHAR KARDA**
*Whole Time Director*
DIN : 01808564

**ANIL NAHATA**
*Chief Financial Officer*

**MAYURA MARATHE**
*Company Secretary*

Place : Nashik
Date: 29 May, 2019

Place : Nashik
Date: 29 May, 2019

# KARDA CONSTRUCTIONS LIMITED

**CIN : L45400MH2007PLC174194**

## STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

**INR (In Lakhs)**

| Sr. No. | Particulars | Note No. | For the year ended | |
|---|---|---|---|---|
| | | | March 31, 2019 | March 31, 2018 |
| 1 | **INCOME** | | | |
| | (a) Revenue from Operations | 16 | 10,529.66 | 12,679.13 |
| | (b) Other Income | 17 | 344.10 | 776.10 |
| | **Total Income** | | **10,873.75** | **13,455.23** |
| | | | | |
| 2 | **EXPENSES** | | | |
| | (a) Cost of construction / development, land, plots and development rights | 18 | 6,476.90 | 8,488.84 |
| | (b) Employee Benefits Expense | 19 | 277.16 | 243.12 |
| | (c) Finance costs | 20 | 1,707.76 | 2,040.03 |
| | (d) Depreciation and amortization expense | 3 | 27.82 | 29.78 |
| | (e) Selling Expenses | 21 | 423.77 | 454.90 |
| | (f) Other Expenses | 22 | 356.89 | 311.82 |
| | **Total Expenses** | | **9,270.29** | **11,568.48** |
| | | | | |
| **3** | **Profit Before Tax (1-2)** | | **1,603.46** | **1,886.75** |
| | | | | |
| **4** | **Tax Expense** | | | |
| | (a) Current Tax | | 395.00 | 583.20 |
| | (b) Deferred Tax Charge / (Credit) | | (1.28) | (1.75) |
| | **Total Tax Expenses** | | **393.72** | **581.45** |
| | | | | |
| **5** | **Profit for the year (3-4)** | | **1,209.75** | **1,305.30** |
| **6** | **Other Comprehensive Income** | | | |
| | Items that will not be subsequently reclassified to profit or loss - Remeasurement of defined benefit plan | | (7.40) | (3.90) |
| **7** | **Total Comprehensive Income for the year (5+6)** | | **1,202.35** | **1,301.40** |
| **8** | **Earning per Equity Share (EPS)** (Face value of INR 10 each) | | | |
| | Basic EPS | | **9.78** | **12.77** |
| | Diluted EPS | | **9.78** | **12.77** |
| | **Significant Accounting Policies** | 1 | | |

The accompanying notes 1 to 39 form an integral part of the Financial Statements.

As per our report of even date
**For JPL & Associates**
***Chartered Accountants***
(Firm Registration No. 132748W)

**CA VIPUL LATHI**
*Partner*
Membership No.134897

Place : Nashik
Date: 29 May, 2019

**For and on behalf of the Board of Directors**

**NARESH KARDA**
*Chairman & MD*
DIN: 01741279

**MANOHAR KARDA**
*Whole Time Director*
DIN : 01808564

**ANIL NAHATA**
*Chief Financial Officer*

**MAYURA MARATHE**
*Company Secretary*

Place : Nashik
Date: 29 May, 2019

**A. EQUITY SHARE CAPITAL** **INR (In Lakhs)**

| Particulars | As At March 31, 2019 | As At March 31, 2018 |
|---|---|---|
| **Balance at the beginning of the year** | 1,230.00 | 900.00 |
| **Changes in equity share capital during the year** | - | 330.00 |
| **Balance at the end of the year** | **1,230.00** | **1,230.00** |

**B. OTHER EQUITY**

| Particulars | Reserves and Surplus | | Total |
|---|---|---|---|
| | Securities Premium Reserve | General Reserve | |
| **Balance as at 1st April, 2017** | **-** | **2,135.06** | **2,135.06** |
| Changes in accounting policy or prior period errors | - | (54.78) | (54.78) |
| Profit / (Loss) for the year | - | 1,305.30 | 1,305.30 |
| Items of other comprehensive income: Remeasurement of net defined benefit | - | (3.90) | (3.90) |
| Excess / (Short) Provision for Income Tax | - | 29.85 | 29.85 |
| Issue of fully paid-up Bonus Shares | - | (100.00) | (100.00) |
| Issue of Equity Shares under IPO (Net of IPO Expenses) | 3,795.01 | | |
| Transfer (to)/from General Reserve | - | - | - |
| **Balance at 31st March, 2018** | **3,795.01** | **3,311.53** | **7,106.53** |
| **Balance as at 1st April, 2018** | **3,795.01** | **3,311.53** | **7,106.53** |
| Changes in accounting policy or prior period errors | - | - | - |
| Profit / (Loss) for the year | - | 1,209.75 | 1,209.75 |
| Items of other comprehensive income: Remeasurement of net defined benefit | - | (7.40) | (7.40) |
| Excess / (Short) Provision for Income Tax | - | (11.18) | (11.18) |
| Issue of fully paid-up Bonus Shares | - | - | - |
| Transfer (to)/from General Reserve | - | - | - |
| Adjustments for Shares Issue Expenses - IPO | (103.68) | | (103.68) |
| **Balance at 31st March, 2019** | **3,691.33** | **4,502.69** | **8,194.02** |

**The accompanying notes are an integral part of the financial statements**

**(a) Securities Premium**

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Act.

**(b) General Reserves**

The general reserve is created from time to time to transfer profits from retained earnings for appropriation purposes.

The accompanying notes 1 to 39 form an integral part of the Financial Statements.
As per our report of even date

**For JPL & Associates**
***Chartered Accountants***
(Firm Registration No. 132748W)

**CA VIPUL LATHI**
*Partner*
Membership No.134897

Place : Nashik
Date: 29 May, 2019

**For and on behalf of the Board of Directors**

**NARESH KARDA**
*Chairman & MD*
DIN: 01741279

**MANOHAR KARDA**
*Whole Time Director*
DIN : 01808564

**ANIL NAHATA**
*Chief Financial Officer*
Place : Nashik
Date: 29 May, 2019

**MAYURA MARATHE**
*Company Secretary*

# KARDA CONSTRUCTIONS LIMITED

CIN : L45400MH2007PLC174194

## STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019

INR (In Lakhs)

| Particulars | Year ended 31 March 2019 | Year ended 31 March 2018 |
|---|---|---|
| **Cash Flow from Operating Activities** | | |
| Profit Before Tax: | 1,603.46 | 1,886.75 |
| Adjustment for: | | |
| Depreciation and Amortisation | 27.82 | 29.78 |
| Provision for Gratuity | (7.40) | (3.90) |
| Finance Cost | 1,707.76 | 1,971.45 |
| Interest Income | (301.23) | (446.56) |
| Dividend Income | (0.91) | (1.10) |
| Profit from Redemption of Mutual Funds | (7.81) | (232.75) |
| Share of Profit from Partnership Firms | (89.39) | (199.08) |
| Adjustments in the Fixed Asset Schedule | - | 19.18 |
| Provisions for Deferred Taxes | 1.28 | 1.75 |
| | | |
| **Operating profit before working capital changes** | **2,933.59** | **3,025.52** |
| | | |
| **Adjustments for changes in working capital** | | |
| (Increase) / Decrease in Financial Assets | (1,475.01) | (382.16) |
| (Increase) / Decrease in Non Financial Assets | 176.21 | (431.45) |
| (Increase) / Decrease in Inventories | (1,356.40) | 2,996.06 |
| Increase / (Decrease) in Financial Liabilities | 234.50 | 4,889.89 |
| Increase / (Decrease) in Non Financial Liabilities | (1,708.34) | (3,783.26) |
| | **(1,195.46)** | **6,314.60** |
| Taxes Paid (Net) | (594.38) | (454.54) |
| **Net Cash Flow from Operating Activities** | **(1,789.84)** | **5,860.05** |
| | | |
| **Cash Flow from Investing Activities** | | |
| Purchase of Property, Plant & Equipment | (16.74) | (28.76) |
| Sale / (Purchase) of Investments | (2,499.15) | 1,628.39 |
| (Investments in) / Withdrawal from Partnership Firms | - | - |
| Interest Income | 301.23 | 446.56 |
| Dividend Income | 0.91 | 1.10 |
| Profit from Redemption of Mutual Funds | 7.81 | 232.75 |
| Share of Profit from Partnership Firms | 89.39 | 199.08 |
| **Net Cash Flow from Investing Activities** | **(2,116.55)** | **2,479.12** |
| | | |
| **Cash Flow from Financing Activities** | | |
| Proceeds from Issue of Equity Share Capital | - | 4,140.00 |
| Payment for Share Issue Expenses - IPO | (103.68) | (114.99) |
| Proceeds from / (Repayment of) Long Term Borrowings (Net) | (1,998.67) | (1,295.08) |
| Proceeds from / (Repayment of) Short Term Borrowings (Net) | (824.37) | (126.85) |
| Interest Paid | (1,707.76) | (1,971.45) |
| **Net Cash Flow from Financing Activities** | **(4,634.48)** | **631.62** |

| | | |
|---|---|---|
| **Net Increase / (Decrease) in Cash and Cash Equivalents** | **(8,540.88)** | **8,970.79** |
| **Cash and Cash Equivalents - Opening Balance** | **9,191.35** | **220.56** |
| **Cash and Cash Equivalents - Closing Balance** | **650.47** | **9,191.35** |
| **See accompanying notes forming part of the financial statements** | | |

The accompanying notes 1 to 39 form an integral part of the Financial Statements.
In terms of the Audit report attached

**For JPL & Associates**
***Chartered Accountants***
Firm Registration No. 132748W

**CA VIPUL LATHI**
Partner
*Membership No.134897*

Place : Nashik
Date: 29 May 2019

**For and on behalf of the Board of Directors**

**NARESH KARDA**
*Chairman & Managing Director*
DIN : 01741279

**MANOHAR KARDA**
*Wholetime Director*
DIN : 01741279

Anil Nahata
*Chief Financial Officer*

Mayura Marathe
*Company Secretary*

Place : Nashik
Date: 29 May 2019

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**

**I. Company Overview**

Karda Constructions Limited ("the Company") having CIN: L45400MH2007PLC174194 is a public listed company, incorporated and domiciled in India having its registered office at 2nd Floor, Gulmohar Status, Above Business Bank, Samarth Nagar, Nashik – 422005, Maharashtra, India. The Company is engaged primarily in the business of real estate construction, development, civil contracts (EPC) and other related activities. The equity shares of the Company are listed on The Bombay Stock Exchange Limited (BSE) and The National Stock Exchange of India Limited (NSE).

**II. Summary of Significant Accounting Policies**

**(a) Basis of preparation and measurement**

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) to comply with the Section 133 of the Companies Act, 2013 ("the 2013 Act") and the relevant provisions and amendments, as applicable. The financial statements have been prepared on accrual basis under the historical cost convention except certain financial instruments, defined benefit plans and share based payments measured at fair value.

The financial statements of the Company for the year ended March 31, 2019 were approved by the Board of Directors and authorised for issue on May 29, 2019.

**(b) Operating cycle**

The normal operating cycle in respect of operation relating to under construction real estate project depends on signing of agreement, size of the project, phasing of the project, type of development, project complexities, approvals needed and realisation of project into cash and cash equivalents. Accordingly, project related assets and liabilities have been classified into current and non-current based on operating cycle of respective projects. All other assets and liabilities have been classified into current and non-current based on a period of twelve months.

**(c) Fair value measurement**

The Company's accounting policies and disclosures require the measurement of fair values for financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows::

- Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data.

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

**(a) Revenue Recognition**

Ind AS 115 – Revenue from Contracts with Customers has been notified by Ministry of Corporate Affairs (MCA) on March 28, 2018 and is effective from accounting period beginning on or after April 01, 2018, replaces existing revenue recognition requirements.

Under Ind AS 115, revenue is recognized when or as it satisfies each performance obligation by

transferring a promised goods or services to a customer. A goods or service is considered to be transferred when the customer obtains control. Under Ind AS 115, transfer of control of a good or service over time rather than at a point in time is considered when one of the following criteria are met:

· The Customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs.

· The entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

· The entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

If it is not possible to demonstrate that the performance obligation is satisfied over time, the revenue cannot be recognized over time (means revenue is to be recognized following Completed Control Method, instead of Percentage of Completion Method (POCM).

Costs incurred is being used to measure progress towards completion as there is a direct relationship between input and productivity. Determination of revenue under percentage of completion method necessarily involves making estimates, some of which are of technical nature, concerning where relevant, the percentage of completion, cost to completion, the expected revenue from the project or activity and the foreseeable losses to completion. The effect of changes, if any, to estimates is recognized in the financial statements for the period in which such changes are determined.

Revenue in excess of invoicing are classified as contract assets (which is referred as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which is referred as unearned/deferred income).

Rental income from operating leases is recognized on a straight line basis over the lease term.

The Company enters entering into Development and Project Management agreements with land-owners. Accounting for income from such projects, measured at fair value, is done on accrual basis as per the terms of the agreement.

The Company receives maintenance amount from the customers and utilize the same towards the maintenance of the respective projects. The balance amount of maintenance expenses to be incurred is reflected as liability under the head other current liabilities.

Revenue from sale of land is recognized when the agreement to sell is executed resulting in transfer of all significant risk and rewards of ownership and possession is handed over to the buyer.

Interest income is recognized on accrual basis at effective interest rate.

Dividend income is accounted when right to receive is established.

Share of Profit / (Loss) from partnership firms in which the Company is partner is recognized based on the financial information provided and confirmed by the respective firms.

**(e) Property, Plant and Equipment:**
**Recognition and measurement**

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment, if any. The cost of property, plant and equipment includes purchase price, including freight, duties, taxes and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.
Property, plant and equipment are derecognized from financial statements, either on disposal or when no economic benefits are expected from its use or disposal. The gain or losses arising from disposal of property, plant and equipment are recognized in the Statement of Profit and Loss in the year of occurrence.
Assets under construction include the cost of property, plant and equipment that are not ready to use at the balance sheet date. Advances paid to acquire property, plant and equipment before the balance sheet date are disclosed under other non-current assets. Assets under construction are not depreciated as these assets are not yet available for use

**Subsequent expenditures**
Subsequent expenditures related to an item of property, plant and equipment are added to its carrying value only when it is probable that the future economic benefits from the asset will flow to the Company and cost can be reliably measured. All other repair and maintenance costs are recognized in the Statement of Profit and Loss during the year in which they are incurred.

**Depreciation and amortization**
Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.
Depreciation / Amortisation on property, plant & equipment of the Company has been provided using the straight line method based on the useful life specified in Schedule II to the Companies Act, 2013.
Assets costing less than INR 5,000 are depreciated at 100% in the year of acquisition.
Assets acquired on lease and leasehold improvements are amortised over the primary period of the lease on straight line basis.
The estimated useful lives and residual values of the property, plant & equipment and intangible assets are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

**Investment property and depreciation**
Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

**(f) Impairment of non-financial assets:**

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceeds the estimated recoverable amount, an impairment loss is recognised for such excess amount. The impairment loss is recognised as an expense in the standalone statement of profit and loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a decrease to the extent a revaluation reserve is available for that asset.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may have decreased, such reversal of impairment loss is recognized in the standalone statement of profit and loss, to the extent the amount was previously charged to the standalone statement of profit and loss. In case of revalued assets, such reversal is not recognised.

**(g) Foreign currency transactions:**

Transactions in foreign currencies are translated into the Company's functional currency at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date.

Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous standalone financial statements are recognised in the standalone statement of profit and loss in the period in which they arise.

**(h) Investment in subsidiaries, joint ventures, partnership firms and associates:**

Investments in equity shares and preference shares of subsidiaries, joint ventures, partnership firms and associate are recorded at cost and reviewed for impairment at each reporting date and and if any impairment is required, the same is recognized in the Statement of Profit and Loss.

**(i) Financial Instruments:**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

**Financial Assets**

**Initial recognition and measurement**

The Company recognizes financial assets when it becomes a party to the contractual provisions of the instrument. All financial assets are recognized initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

**Subsequent measurement**

For the purpose of subsequent measurement, the financial assets are classified as under:

**I) Financial assets at amortised cost**

- A financial asset is measured at the amortised cost, if both of the following conditions are met
- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. Interest income from these financial assets is included in other income using the EIR in the Statement of Profit and Loss. The losses arising from impairment are recognized in the Statement of Profit and Loss.

**I) Financial assets at fair value through other comprehensive income (FVTOCI)**

Financial assets are classified as FVTOCI, if both of the following criteria are met:

- # These assets are held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets; and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Fair value movements are recognised in the other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest income and foreign exchange gains or losses which are recognized in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to Profit or Loss and recognised in other income/(loss).

**iii) Financial assets at fair value through profit or loss (FVTPL)**

Financial assets that do not meet the criteria for amortized cost or FVTOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is recognized in profit or loss and presented net in the Statement of Profit and Loss within other income in the period in which it arises.

**iv) Equity instruments**

All equity instruments other than investments in associates are measured at fair value. Equity instruments which are for trading are classified as FVTPL. All other equity instruments are measured at fair value through other comprehensive income (FVTOCI). The classification is made on initial recognition and is irrevocable.

Where the Company's management has elected to present fair value gains and losses on equity instruments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognized in profit and loss when the Company's right to receive payments is established.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

**Impairment of financial assets**

The Company applies 'simplified approach' for recognition of impairment loss on financial assets for loans, deposits and trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime Expected Credit Loss at each reporting date, right from its initial recognition.

**De-recognition**

A financial asset is derecognized when:

- The rights to receive cash flows from the assets have expired or
- The Company has transferred substantially all the risk and rewards of the asset, or
- The Company has neither transferred nor retained substantially all the risk and rewards of the asset, but has transferred control of the asset.

**Financial Liabilities**

**Initial recognition and measurement**

All financial liabilities are recognized initially at fair value and, in the case of loans, borrowings and payables, net of directly attributable transaction cost.

**Subsequent measurement**

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. For trade and other payables maturing within operating cycle, the carrying amounts approximate the fair value due to short maturity of these instruments.

**Loans and borrowings**

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using Effective Interest Rate (EIR) method. Gain and losses are recognized in the Statement of Profit and Loss when the liabilities are derecognized.

Amortised cost is calculated by taking into account any discount or premium on acquisition and transaction costs. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

**De-recognition**

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

**Offsetting financial instruments**

Financial assets and financial liabilities are offset and the net amount is reflected in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

**(a) Inventories:**

Inventories comprising of completed flats and construction-work-in progress are valued at lower of cost and net realisable value.

Construction work-in-progress includes cost of land, premium for development rights, construction costs, allocated interest and expenses incidental to the projects undertaken by the Company.

**(b) Income Tax:**

The tax expense comprises current and deferred tax. Tax is recognized in the statement of profit and loss except to the extent that it relates to items recognized directly in equity or in OCI.

**Current Tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Company:

i) Has a legally enforceable right to set off the recognised amounts; and

intends either to realise the asset and settle the liability on a net basis or simultaneously.

**Deferred Tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent there is convincing evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

i) The Company has a legally enforceable right to set off current tax assets against current tax liabilities; and

The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

**Minimum Alternative Tax (MAT)**

MAT credit is recognised as a deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal tax during specified period. MAT credit is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

**(l) Employee benefits:**

**Short term employee benefits**

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognized as an expense during the period when the employees render the services.

**Defined contribution plans**

The Company's contribution to Provident Fund, Pension, Superannuation Fund and Employees State Insurance Fund are considered as defined contribution plans, as the Company does not carry any further obligations apart from the contribution made to the respective fund/scheme and are charged as an expense based on the amount of contribution required to be made.

**Defined benefit plans**

The liability recognized in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefits obligation is calculated annually by actuaries using the projected unit credit method.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employee benefits expense in the Statement of Profit and Loss. Remeasurement gain and losses arising from experience adjustments, changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income (OCI). They are included in retained earnings in the Statement of Change in Equity and in the Balance Sheet.

**Leave Entitlement**

Leave entitlement are provided based on an actuarial valuation, similar to that of gratuity benefit. Re-measurement, comprising of actuarial gains and losses, in respect of leave entitlement are recognised in the Statement of Profit and Loss in the period in which they occur.

**(m) Leases:**

**Finance Lease**

Agreements are classified as finance leases, if substantially all the risks and rewards incidental to ownership of the leased asset is transferred to the lessee.

**Operating Lease**

Agreements which are not classified as finance leases are considered as operating lease.

Operating lease payments/income are recognised as an expense/income in the standalone statement of profit and loss on a straight line basis over the lease term unless there is another systematic basis which is more representative of the time pattern of the lease.

**(n) Borrowing Costs:**

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate applicable to the respective borrowing.

Borrowing costs, pertaining to development of long term projects, are transferred to Construction work in progress, as part of the cost of the projects till the time all the activities necessary to prepare these projects for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

**(o) Earnings per share:**

Basic earnings per share is calculated by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is calculated by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares.

**(p) Cash and cash equivalents:**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand, demand deposit and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

**(q) Provisions and Contingent Liabilities:**

The Company recognizes a provision when there is a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent assets are neither recognized nor disclosed in the financial statements.

**(r) Dividend:**

Dividend to the equity shareholders is recognized as a liability in the Company's financial statements in the period in which the dividend is approved by the shareholders.

**(s) Events after reporting date:**

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted with the standalone financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

**(t) Segment Reporting:**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

**(u) USE OF ESTIMATES AND JUDGEMENTS**

The preparation of the financial statements in conformity with Ind AS requires the use of estimates, judgements and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/ materialise.

Estimates and underlying assumptions are reviewed at each reporting date. Any revision to accounting estimates and assumptions are recognised prospectively i.e. recognised in the period in which the estimate is revised and future periods affected.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are as follows:

**I. Evaluation of satisfaction of performance obligation over a time (percentage completion) for the purpose of revenue recognition**

Determination of revenue under the satisfaction of performance obligation over a time method necessarily involves making estimates, some of which are of a technical nature, concerning, where relevant, the timing of satisfaction of performance obligation, costs to completion, the expected revenues from the project or activity and the foreseeable losses to completion. Estimates of project income, as well as project costs, are reviewed periodically. The effect of changes, if any, to estimates is recognised in the financial statements for the period in which such changes are determined. The Company recognises revenue when the company satisfies its performance obligation.

**ii. Evaluation of Net Realisable Value (NRV) of Inventories**

Inventories comprising of completed flats and construction-work-in progress are valued at lower of cost and net realisable value. Net Realisable value is based upon the estimates of the management. The effect of changes, if any, to the estimates is recognised in the standalone financial statements for the period in which such changes are determined.

**I. Recognition and measurement of defined benefit obligations**

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and attrition rate. The discount rate is determined by reference to market yields at the end of the reporting period on government securities. The period to maturity of the underlying securities correspond to the probable maturity of the post-employment benefit obligations. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**ii. Fair value measurement of financial instruments**

When the fair values of the financial assets and liabilities recorded in the balance sheet cannot be measured based on the quoted market prices in active markets, their fair value is measured using valuation technique. The inputs to these models are taken from the observable market where possible, but where this is not feasible, a review of judgement is required in establishing fair values. Any changes in the aforesaid assumptions will affect the fair value of financial instruments.

**iii. Impairment losses on investment**

The Company reviews its carrying value of investments carried at amortised cost annually or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

**iv. Deferred taxes**

Deferred tax is recorded on temporary differences between tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profit during the periods in which those temporary differences and the tax loss carry forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward periods are reduced.

**v. Provisions and contingencies**

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the amount included in other provisions.

## Karda Constructions Limited
## Notes to the Financial Statements for the year ended 31 March 2019
## Note 3: Property, Plant and Equipment and Capital work-in-progress

(INR in Lakhs)

| Particulars | GROSS CARRYING AMOUNT | | | | DEPRECIATION | | | | NET CARRYING AMOUNT | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at April 1, 2018 | Additions during the year | Deductions during the year | As at 31 March, 2019 | As at April 1, 2018 | For the year | Deductions | Upto 31 March, 2019 | As at 31 March, 2019 | As at March 31, 2018 |
| **a) Plant Property & Equipment** | | | | | | | | | | |
| Buildings | 27.37 | - | - | **27.37** | 1.77 | 0.43 | - | **2.20** | **25.17** | 25.60 |
| Plant & Machinery | 14.34 | 3.76 | - | **18.10** | 5.16 | 1.45 | - | **6.61** | **11.49** | 9.18 |
| Furniture & Fixtures | 169.97 | 1.48 | - | **171.44** | 62.44 | 15.66 | - | **78.10** | **93.34** | 107.53 |
| Computers & Laptops | 19.82 | 7.07 | - | **26.89** | 14.36 | 3.46 | - | **17.82** | **9.06** | 5.46 |
| Vehicles | 14.62 | | - | **14.62** | 3.02 | 1.78 | - | **4.80** | **9.82** | 11.60 |
| Office Equipments | 38.67 | 4.43 | - | **43.10** | 20.89 | 5.04 | - | **25.92** | **17.18** | 17.78 |
| **Total Plant Property & Equipment** | **284.78** | **16.74** | **-** | **301.52** | **107.63** | **27.82** | **-** | **135.45** | **166.07** | **177.15** |
| **b) Intangible Assets** | | | | | | | | | - | - |
| **c) Capital Work-in-Progress** | | | | | | | | | - | - |

(INR in Lakhs)

| Particulars | GROSS CARRYING AMOUNT | | | | DEPRECIATION | | | | NET CARRYING AMOUNT | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at April 1, 2017 | Additions during the year | Deductions during the year | As at March 31, 2018 | As at April 1, 2017 | For the year | Deductions | Upto March 31, 2018 | As at March 31, 2018 | As at March 31, 2017 |
| **a) Plant Property & Equipment** | | | | | | | | | | |
| Buildings | 27.37 | - | - | 27.37 | 1.33 | 0.43 | - | 1.77 | 25.60 | 26.03 |
| Plant & Machinery | 28.84 | 4.68 | 19.18 | 14.34 | 3.71 | 2.06 | - | 5.77 | 8.58 | 25.13 |
| Furniture & Fixtures | 166.11 | 3.86 | - | 169.97 | 46.98 | 15.47 | - | 62.44 | 107.53 | 119.13 |
| Computers & Laptops | 16.31 | 3.51 | - | 19.82 | 11.09 | 3.27 | - | 14.36 | 5.46 | 5.22 |
| Vehicles | 8.60 | 6.40 | 0.39 | 14.62 | 1.23 | 1.78 | - | 3.02 | 11.60 | 7.37 |
| Office Equipments | 28.36 | 10.31 | - | 38.67 | 13.51 | 6.77 | - | 20.28 | 18.39 | 14.84 |
| **Total Plant Property & Equipment** | **275.58** | **28.76** | **19.56** | **284.78** | **77.85** | **29.78** | **-** | **107.63** | **177.15** | **197.73** |
| **b) Intangible Assets** | | | | | | | | | - | - |
| **c) Capital Work-in-Progress** | | | | | | | | | - | - |

# Notes to the Financial Statements for the year ended 31 March 2019

**Note 4: Investment Properties**

**(INR in Lakhs)**

| Particulars | 31 March 2019 | 31 March 2018 |
|---|---|---|
| | | |
| Farm House Plot *(at S.No.292/1A & 2A, Bhagur)* | 22.21 | 22.21 |
| | | |
| **Total** | **22.21** | **22.21** |

**Footnote:**

The said investment property is a farm house plot on which construction is in progress and hence no depreciation is charged on it. The Company has not determined the fair value of property from any independent valuer as at 31st March, 2019.

**Note 5: Financial Assets**

**5(a) Non Current Investments**

**(INR in Lakhs)**

| Particulars | 31 March 2019 | 31 March 2018 |
|---|---|---|
| **A) Investment in Fully paid-up Equity Instruments (Unquoted)** | | |
| | | |
| **Navjeevan Bank** | 1.00 | - |
| 10,000 (As at 31 Mar, 2018: NIL) Equity shares of INR 10/- each | | |
| | | |
| **Nashik Road Deolali Vyapari Bank Ltd.** | 5.03 | 5.03 |
| 50,250 (As at 31 Mar, 2018: 50,250) Equity shares of INR 10/- each | | |
| | | |
| **Shree Sainath Land & Development (India) Private Limited*** | 24.00 | 24.00 |
| 2,40,000 (As at 31 Mar, 2018: 2,40,000) Equity shares of INR 10/- each | | |
| | | |
| **Total** | **30.03** | **29.03** |
| | | |
| **B) Investment in Partnership Firms (Refer Footnote a)*** | | |
| Karda Infrastructures | 0.17 | 0.17 |
| Bhakti Enterprises | 0.05 | 0.05 |
| **Total** | **0.22** | **0.22** |
| | | |
| **Total Non Current Investments (A+B)** | **30.24** | **29.24** |

*Refer Related Party Disclosure in Note 25

**Footnote:**

**a) Details of investments made in the capital of partnership firms:**

| Partnership Firms | Share in profits (%) | |
|---|---|---|
| | 31 March 2019 | 31 March 2018 |
| **1. M/s. Karda Infrastructures (Refer Footnote c)** | | |
| Karda Constructions Ltd | 33.33 | 33.33 |
| Naresh Jagumal Karda | 33.34 | 33.34 |
| Rahul Kalani | 33.33 | 33.33 |
| **Total Capital of the firm (In Lakhs)*** | **1,142.00** | **(1,775.07)** |
| | | |
| **2. M/s. Bhakti Enterprises** | | |
| Naresh Karda | 55.00 | 55.00 |
| Manohar Karda | 5.00 | 5.00 |
| Laxman Karda | 5.00 | 5.00 |
| Prem Karda | 5.00 | 5.00 |
| Bharati M Karda | 5.00 | 5.00 |
| Disha N Karda | 5.00 | 5.00 |
| Karamchand Karda | 5.00 | 5.00 |
| Karda Constructions Ltd | 5.00 | 5.00 |
| Komal Karda | 5.00 | 5.00 |
| Neha Karda | 5.00 | 5.00 |
| **Total Capital of the firm (In Lakhs)*** | **694.56** | **(15.36)** |
| | | |
| **3. M/s. Green Entreprises** | | |
| Basant Nathumal Gurnani | 16.67 | 16.67 |
| Sujyoti Fininvest Pvt Ltd | 33.33 | 33.33 |
| Karda Constructions Limited | 11.67 | 11.67 |
| Maharaj Birmani | 33.33 | 33.33 |
| Naresh Karda | 5.00 | 5.00 |
| **Total Capital of the firm (In Lakhs)*** | **(15.63)** | **(21.67)** |
| | | |
| * Total Capital of the firm consists of fixed & current capital (including excess withdrawals from the firm). Refer Note 5(a) & Note 15. | | |
| | | |

b) The Company has investments in certain partnership firms aggregating INR 0.22 lakhs (31st March, 2018: INR 0.22 lakhs). The Company considers its investments in such entities as long term and strategic in nature. Accordingly, no provision is considered necessary towards diminution in the value of the Company's investments in such entities, which are considered good and fully recoverable.

c) In a partnership firm M/s. Karda Infrastructures, profit sharing ratio for Hari Smruti Project is 80:20 between Karda Constructions Limited & Naresh Karda

**5(a) Current Investments** **(INR in Lakhs)**

| Particulars | 31 March 2019 | 31 March 2018 |
|---|---|---|
| **A) Investment in Mutual Funds (Quoted) (At cost)** | | |
| **ICICI Prudential Savings Funds - DP Growth** | 564.67 | 202.86 |
| 20,7641.226 units (As at March 31, 2018 : 74,994.884 units) | | |
| | | |
| **SBI Short Term Debt Fund** | 300.00 | - |
| 14,05,797.509 units (As at March 31, 2018 : NIL) | | |
| | | |
| **B) Investment in Partnership Firm (Current Capital)** | | |
| Karda Infrastructures | 1,141.83 | - |
| Bhakti Enterprises | 694.51 | - |
| **Total** | **2,701.01** | **202.86** |

# Notes to the Financial Statements for the year ended 31 March 2019

**Note 5: Financial Assets**

**5(b) Non-Current Loans and Advances**

**(INR in Lakhs)**

| Particulars | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Loans/Advances to Related Parties | - | - |
| Loans/Advances to Others - Secured (Refer Footnote 1 below) | | |
| (a) Advance against Shop | 10.00 | 10.00 |
| (b) Advances & Deposits - Land Purchase | 815.32 | 584.15 |
| **Total** | **825.32** | **594.15** |

**Footnote:**

1. Loans & Advances are secured against Terms of Development Agreement / Agreement for sale.

**5(b) Current Loans and Advances**

**(INR in Lakhs)**

| Particulars | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Loans/Advances to Related Parties | - | - |
| Loans/Advances to Others - Unsecured, Considered Good | 2,229.19 | 3,517.98 |
| **Total** | **2,229.19** | **3,517.98** |

**Footnote:**

1. The company is charging interest at the rate of 12% p.a. and 15% p.a. on the loans and advances given to others as per the terms of the agreement. Such advances are given for the short term and are recoverable on demand.

**Note 5: Financial Assets**

**5(c) Other Financial Assets - Non Current**

**(INR in Lakhs)**

| Particulars | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Deposits with Banks (Refer Footnote) | 217.30 | 358.11 |
| Security Deposits | 194.88 | 145.91 |
| Development Agreement Deposits | 2,066.43 | 400.50 |
| | | |
| **Total** | **2,478.60** | **904.52** |

**Footnote:**

1. Balances with banks in margin money and fixed deposits are kept as security for guarantees / other facilities.

**5(c) Other Financial Assets - Current**

**(INR in Lakhs)**

| Particulars | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Advance against salaries | 1.01 | 0.55 |
| **Total** | **1.01** | **0.55** |

**Note 5: Financial Assets**

**5(d) Trade Receivables**

**(INR in Lakhs)**

| Particulars | 31 March 2019 | 31 March 2018 |
|---|---|---|
| **Non-current** | | |
| Related Party | - | - |
| Unsecured, considered good | - | - |
| **Total** | | |
| **Current** | | |
| Related Party | - | - |
| Unsecured, considered good | | |
| (a) Receivables from Customers - Real Estate | 848.15 | 69.35 |
| (b) Receivables from Customers - Civil Contracts | 273.33 | 94.12 |
| (c) Rent Receivable | 3.37 | 3.29 |
| **Total** | **1,124.85** | **166.76** |
| Less: Allowance for doubtful debts | - | - |
| **Total** | **1,124.85** | **166.76** |

**Footnote:**

a) No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person, or from any firms or private companies in which any director is a partner, a director or a member.

b) As per the management, there is no uncertainty in recovering dues receivable from trade debtors and thus no provison has been made for doubtful debts.

**Note 5: Financial Assets**

**5(e) Cash and Cash Equivalents**

**(INR in Lakhs)**

| Particulars | 31 March 2019 | 31 March 2018 |
|---|---|---|
| **Balances with Banks** | | |
| Current Accounts | 439.60 | 1,075.77 |
| Goa- Current - in EEFC accounts | 5.90 | 2.15 |
| Escrow Accounts (Refer Footnote) | 173.15 | 7,743.03 |
| RERA Accounts | 28.41 | 315.30 |
| Cash on Hand | 3.41 | 55.10 |
| | | |
| **Total** | **650.47** | **9,191.35** |

**Footnote:**

a) Escrow Account for the year ended 31st March, 2018 includes the amount of INR 7740.00 Lakhs received from the proceeds of fresh issue of equity shares and offer for sale of the promoter in the month of March 2018. Hence the corresponding figures for the escrow accounts is substantially higher as compared with the current year.

**Note 5: Financial Assets**

**5(f) Current Tax Assets**

**(INR in Lakhs)**

| Particulars | 31 March 2019 | 31 March 2018 |
|---|---|---|
| **Balances with Government Authorities** | | |
| Advance Tax & Income Tax Payment | 58.00 | 165.00 |
| Tax Deducted at Source | 87.52 | 67.79 |
| Excess Credit Balances of GST & Service Tax | 377.19 | 386.86 |
| **Total** | **522.71** | **619.65** |

**Note 6: Other Non Financial Assets**

**(INR in Lakhs)**

| Particulars | 31 March 2019 | 31 March 2018 |
|---|---|---|
| **Other Non-Current Assets** | | |
| Deposits for Income Tax Appeals (Refer Footnote) | 211.82 | 234.17 |
| | | |
| **Total** | **211.82** | **234.17** |
| **Other Current Assets** | | |
| Advances to Suppliers | 3.04 | 6.11 |
| Other Receivables | 111.68 | 72.03 |
| Misc. Assets - IPO Expenses | - | 93.50 |
| **Total** | **114.72** | **171.64** |

**Footnote:**

a) Deposits are made with the Income Tax - Commissioner (Appeals) for the A.Y. 2014-15 Rs.4.69 Lakhs & A.Y. 2015-16 Rs.207.12 Lakhs

**Note 7: Inventories**

**(INR in Lakhs)**

| Particulars | 31 March 2019 | 31 March 2018 |
|---|---|---|
| **Inventories (lower of cost or net realisable value)** | | |
| Stock of material at site | - | 72.11 |
| Completed Projects | 83.27 | 84.48 |
| Incomplete Projects Work-In-Progress | 13,726.01 | 12,609.95 |
| Land Bank | 919.55 | 1,135.22 |
| Civil Construction Work-In-Progress | 21.69 | - |
| Closing stock (Contract) - Asset | 717.61 | 209.97 |
| **Total** | **15,468.13** | **14,111.73** |

Footnote:

a) Refer Note 18 for cost of inventories recognised as an expense during the period.

b) Nil amount of inventories were written down to net realisable value during the current and comparable periods. Similarly, Nil amount of reversal of write down was accounted during the current and comparable periods.

c) Mode of valuation of inventories is stated in Note 2

**Note 8 (a) : Equity Share Cpaital**

(INR in Lakhs)

| Particulars | 31 March 2019 | 31 March 2018 |
|---|---|---|
| **Authorised Share Capital** | | |
| 1,40,00,000 (As at 31st March, 2018: 1,40,00,000) Equity Shares of Rs.10/- each | 1,400.00 | 1,400.00 |
| | | |
| **Issued and subscribed capital comprises:** | | |
| 1,23,00,000 (As at 31st March, 2018: 1,23,00,000) Equity Shares of Rs.10/- each fully paid-up | 1,230.00 | 1,230.00 |

**1. Reconciliation of number of shares outstanding at the beginning and at the end of the year**

(INR in Lakhs)

| Particulars | 31 March 2019 | | 31 March 2018 | |
|---|---|---|---|---|
| | Number of Equity Shares | Share Capital (INR) | Number of Equity Shares | Share Capital (INR) |
| **Fully paid equity shares (in Lakhs)** | | | | |
| **Shares outstanding at the beginning of the year** | 123.00 | 1,230.00 | 90.00 | 900.00 |
| Add : Issued during the year (Bonus Issue) | - | - | 10.00 | 100.00 |
| Add : Issued during the year (Fresh Issue in IPO) | - | - | 23.00 | 230.00 |
| Less: Bought back during the year | - | - | - | - |
| **Shares outstanding at the end of the year** | **123.00** | **1,230.00** | **123.00** | **1,230.00** |

**1. Terms / rights attached to equity shares**

The Company has a single class of equity shares having a par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The Board of Directors have not declared dividend for the year ending 31st March, 2019.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company in proportion to the number of equity shares held by each shareholder, after settlement of all preferential obligations.

**3. Details of shares held by each shareholder holding more than 5% shares**

| Particulars | As at 31st March, 2019 | | As at 31st March, 2018 | |
|---|---|---|---|---|
| | Number of shares held | % holding | Number of shares held | % holding |
| **Fully paid up equity shares (In Lakhs)** | | | | |
| Naresh Jagumal Karda | 56.00 | 45.53% | 56.00 | 45.53% |
| Prem Jagumal Karda | 5.90 | 4.80% | 5.90 | 4.80% |
| Laxman Jagumal Karda | 5.50 | 4.47% | 5.50 | 4.47% |

**Footnote:**

a) Information regarding issue of shares in the last five years:

- The Company has not issued any shares without payment being received in cash.
- The Company has issued bonus shares during the F.Y. 2018-19 - NIL & F.Y. 2017-18 - 10.00 Lakhs.
- The Company has not undertaken any buy-back of shares.
- The Company has issued fresh equity shares during the F.Y. 2017-18 - 23.00 Lakhs in an IPO.

**8(b) : Other Equity**

**(INR in Lakhs)**

| Particulars | 31 March 2019 | 31 March 2018 |
|---|---|---|
| **Securities Premium Reserve** | | |
| Balance at the beginning of the year | 3,795.01 | - |
| *Add / (Less) :* | | |
| Fresh Issue of Equity Shares in IPO | - | 3,910.00 |
| Adjustments for Shares Issue Expenses - IPO | (103.68) | (114.99) |
| **Balance at the end of the year (A)** | **3,691.33** | **3,795.01** |

The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. The reserve is utilised in accordance with the provisions of the Act.

**(INR in Lakhs)**

| General Reserve | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Balance at the beginning of the year | 3,311.53 | 2,135.06 |
| Add / (Less) : | | |
| Issue of fully paid-up bonus shares | - | (100.00) |
| Prior Period Errors | - | (54.78) |
| Profit attributable to the owners of the company | 1,209.75 | 1,305.30 |
| Items of OCI recognised directly in retained earnings | (7.40) | (3.90) |
| Excess / (Short) Provision of Income Tax | (11.18) | 29.85 |
| **Balance at the end of the year (B)** | **4,502.69** | **3,311.53** |
| | | |
| **Total (A+B)** | **8,194.03** | **7,106.54** |

**Note 9: Financial Liabilities**

**9(a) Borrowings - Non Current**

**(INR in Lakhs)**

| Particulars | 31 March 2019 | 31 March 2018 |
|---|---|---|
| **Secured** | | |
| **(a) Term loans** | | |
| From Banks & Financial Institutions - Rupee loan | 10,152.61 | 9,187.18 |
| | **10,152.61** | **9,187.18** |
| **Unsecured** | **-** | **-** |
| | | |
| **Total Non-Current Borrowings** | **10,152.61** | **9,187.18** |
| Less: Transferred to Current Maturities | 5,455.06 | 2,490.95 |
| **Total** | **4,697.56** | **6,696.23** |

**9(a) Borrowings - Current**

**(INR in Lakhs)**

| Particulars | 31 March 2019 | 31 March 2018 |
|---|---|---|
| **Secured** | | |
| **(a) Loan against Construction Projects** | | |
| Working Capital Loan / Cash Credit from Banks | 2,582.52 | 3,105.72 |
| | **2,582.52** | **3,105.72** |
| **Unsecured** | | |
| **(a) Other Loans - Repayable on Demand** | | |
| From Related Parties | 91.94 | 393.12 |
| | **91.94** | **393.12** |
| | | |
| **Total** | **2,674.47** | **3,498.84** |

**Footnote:**

(a) Secured term loans from banks carry interest rates within a range of 12.50% to 15.50%. The nature of securities are:

| Name of the Lenders | Security Offered (Further secured by personal guarantee of one or more promoters) |
|---|---|
| 1. ICICI Bank<br>(Term Loan against Constructions of Projects) | 1. Mortgage of saleable area (residential + commercial) of Hari Sanskruti, Hari Sparsh, Hari Niwas & Hari Shrushti Project situated at Nashik. |
| 2. Indiabulls Housing Finance Limited<br>(Term Loan against Constructions of Projects) | 1. Mortgage of unsold units of Hari Vishwa Project at Nashik.<br>2. Mortgage of Plots situated at Mumbai Agra Highway & Vihitgaon Shiwar in Nashik. |
| 3. ECL Finance Limited<br>(Term Loan against Constructions of Projects) | 1. Mortgage of land pertaining to the Hari Sanskruti-II Project at Nashik.<br>2. Hypothecation of all the present and future receivables, unsold units of Hari Sanskruti - II Project at Nashik |
| 4. State Bank of India<br>(Overdraft & Cash Credit Facility) | 1. Mortgage of land pertaining to the Hari Bhakti Project at Nashik alongwith the construction thereon.<br>2. Hypothecation of stock and receivables of Hari Bhakti Project at Nashik<br>3. Mortgage of Plots situated at Nashik. |
| 5. State Bank of India<br>(Term Loan against Constructions of Projects) | 1. Mortgage of land pertaining to the HariVasant Project at Nashik alongwith the construction thereon.<br>2. Hypothecation of stock and receivables of Hari Vasant Project at Nashik.<br>3. Mortgage of Plots situated at Nashik. |
| 6. Axis Bank<br>(Overdraft & Cash Credit Facility) | 1. Mortgage of Plot situated at Dasak, Nashik. |
| 7. Nashik Road Deolali Vyapari Sahakari Bank Limited<br>(Term Loan & Overdraft Facility) | 1. Mortgage of Plot situated at Bhagur, Nashik. |
| 8. Navjeevan Co-Operative Bank Limited<br>(Term Loan & Overdraft Facility) | 1. Mortgage of Plots situated at Deolali Camp & Panchak, Nashik.<br>2. Personal Guarantee of Directors. |
| 9. Tata Capital HSG Fin Ltd<br>(Term Loan Facility) | 1. Mortgage of land pertaining to the Hari OM II Project at Nashik alongwith the construction thereon.<br>2. Hypothecation of stock and receivables of Hari OM II Project at Nashik. |
| 10. Tata Capital HSG Fin Ltd<br>(Term Loan Facility) | 1. Mortgage of land pertaining to the Hari Sanskruti (Phase I) Project at Nashik alongwith the construction thereon upto developer's share of 136 unsold units.<br>2. Hypothecation of stock and receivables of Hari Sanskruti (Phase I) Project for developers share of 136 unsold units at Nashik. |

(b) Loans from related parties is unsecured and repayable on demand. Interest on the same is provided at the rate of 15.00% p.a.

**Note 9: Financial Liabilities**

**9(b) Other Financial Liabilities - Non Current**

**(INR in Lakhs)**

| Particulars | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Lease deposits from tenants | 11.96 | 12.71 |
| EMD Deposits | 45.42 | - |
| | | |
| **Total** | **57.38** | **12.71** |

**Footnote:**

EMD Deposits is received from Shree Constructions against civil works contracts of Police Housing Dept., Buldhana

**9(b) Other Financial Liabilities - Current**

**(INR in Lakhs)**

| Particulars | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Current Maturities of Long Term Debts | 5,455.06 | 2,490.95 |
| Karda Constructions - Offer for Sale | - | 3,600.00 |
| Branch - KCL DDUGKY Project | (48.14) | 1.33 |
| Shree Sainath Land & Development | 544.51 | - |
| Viva Highways Limited | 32.11 | - |
| **Total** | **5,983.53** | **6,092.27** |

**Footnote:**

The company has received civil works contracts from Shree Sainath Land & Development and from Viva Highways Limited and amount in their account represents advance received by the company against such civil works contracts.

**Note 10: Other Non Current Liabilities**

| Particulars | 31 March 2019 | 31 March 2018 |
|---|---|---|
| **Booking Advances from Customers:** | | |
| Against Real Estate Project | - | 147.78 |
| Against Plots & Land | 1,479.97 | 1,184.46 |
| | | |
| **Total** | **1,479.97** | **1,332.25** |

**Note 11: Provisions**

**Non Current Provisions**

**(INR in Lakhs)**

| Particulars | 31 March 2019 | 31 March 2018 |
|---|---|---|
| **Employee Benefits** | | |
| Provision for Gratuity | 24.22 | 16.82 |
| **Total** | **24.22** | **16.82** |

**Footnote:**

(a) The provision for Gratuity is non fund based provision and is made on the basis of actuarial report.

**Current Provisions**

**(INR in Lakhs)**

| Particulars | 31 March 2019 | 31 March 2018 |
|---|---|---|
| **Employee Benefits** | | |
| Salary Payable | 14.43 | 29.83 |
| **Other Provisions** | 5.72 | 21.34 |
| **Total** | **20.15** | **51.17** |

**Note: 12 Deferred Tax Liabilities**

**(INR in Lakhs)**

| Particulars | 31 March 2019 | 31 March 2018 |
|---|---|---|
| **Opening Balance** | 3.93 | 5.68 |
| Temporary difference on account of depreciation on Property, Plant and Equipment | (1.28) | (1.75) |
| **Deferred Tax Liabilities (Net)** | **2.65** | **3.93** |

**Note 13: Trade Payables**

**(INR in Lakhs)**

| Particulars | 31 March 2019 | 31 March 2018 |
|---|---|---|
| **Trade Payables** | | |
| Dues to MSME | 83.95 | 37.07 |
| Dues to Others | 1,664.26 | 1,412.56 |
| | | |
| **Total** | **1,748.21** | **1,449.63** |

**Footnotes:**

a) The average credit period on purchases is 3 to 6 months.

**Details of dues to Micro, Small and Medium Enterprises as defined under Micro Small Medium Enterprises Development Act, 2006 :**

b) Trade payables include INR 83.95 Lakhs (Asat 31st March, 2018: INR 37.07 Lakhs) due to micro, small and medium enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED).

c) Company has not made any provision for interest to be paid/payable to micro and small enterprises during the year.

d) The above information has been determined to the extent such parties could be identified on the basis of the information available with the Company regarding the status of parties under the MSMED Act and has been relied upon by the auditors.

e) Trade payables include INR16.51 lakhs (31 st March, 2018: Rs.12.20 lakhs) due to related parties. Kindly refer Note 25.

**Note 14: Current Tax Liabilities**

**(INR in Lakhs)**

| Particulars | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Provision for Income Tax | 395.00 | 583.20 |
| **Total** | **395.00** | **583.20** |

**Note 15: Other Current Liabilities**

**(INR in Lakhs)**

| Particulars | 31 March 2019 | 31 March 2018 |
|---|---|---|
| **Payable to Partnership Firms** | | |
| Green Enterprises | 15.63 | 21.67 |
| Karda Infrastructures | - | 1,775.24 |
| Bhakti Enterprises | - | 15.41 |
| | **15.63** | **1,812.32** |
| **Other Payables** | | |
| Statutory Dues | 23.57 | 58.05 |
| **Total** | **39.20** | **1,870.36** |

**Footnote:**

Payable to Partnership Firms represent excess withdrawal made from the firm. Also refer the Related Parties Transactions Note No. 25

**Note 16: Revenue from Operations**

**(INR in Lakhs)**

| Particulars | 31 March 2019 | 31 March 2018 |
|---|---|---|
| **Sale from operations** | | |
| (a) Sale of Properties / Flats (Residential and Commercial) | 8,693.60 | 11,819.69 |
| (b) Sale of Land | - | 101.00 |
| (c) Contract Revenue Income | 1,732.67 | 533.18 |
| (d) Rental Income | 14.00 | 26.18 |
| (e) Other Operating Revenue | | |
| - Profit from Partnership Firms (Net) | 89.39 | 199.08 |
| | | |
| **Total** | **10,529.66** | **12,679.13** |

**Footnote:**

a) Revenue from Operation includes Company's share of profit (net) INR 89.39 lakhs (31st March 2018 : INR 199.08 lakhs) from its investment in partnership firms whose financials statements have been audited by other auditors.

**Note 17: Other Income**

**(INR in Lakhs)**

| Particulars | 31 March 2019 | 31 March 2018 |
|---|---|---|
| **(a) Interest Income** | | |
| - On Bank Deposits | 25.04 | 25.30 |
| - Other Financial Assets | 276.18 | 421.25 |
| | | |
| **(b) Dividend Income from** | | |
| - Current Investments (Mutual Funds) | | - |
| - Equity Investments (Dividend Income from Bank) | 0.91 | 1.10 |
| | | |
| **(c) Profit from Redemption of Mutual Funds** | 7.81 | 232.75 |
| | | |
| **(d) Other Miscellaneous Income** | - | 95.69 |
| - Interest on IT Refund | 34.15 | - |
| | | |
| **Total** | **344.10** | **776.10** |

**Note No:18 Cost of Construction / Development**

**(INR in Lakhs)**

| Particulars | 31 March 2019 | 31 March 2018 |
|---|---|---|
| **Opening Stock** | **14,111.73** | **17,107.79** |
| Add: Cost incurred during the year | | |
| Cost of Land / Development Rights | 692.36 | 434.66 |
| Consumption of Material | 4146.00 | 2,899.79 |
| Contract cost, labour and other charges | 2427.61 | 1,342.41 |
| Other construction expenses | 7.34 | 233.58 |
| Contract Expenses | 559.99 | 582.34 |
| **Sub Total** | **7,833.30** | **5,492.78** |
| | | |
| **Less : Closing stock** | **15,468.13** | **14,111.73** |
| | | |
| **Total** | **6,476.90** | **8,488.84** |

**Note 19: Employee Benefit Expenses**

**(INR in Lakhs)**

| Particulars | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Salaries, wages and bonus | 186.91 | 172.90 |
| Salary - Directors | 48.00 | 52.20 |
| Sitting Fees | 2.91 | 2.67 |
| Contribution to Provident Fund | 11.43 | 10.40 |
| Contribution to ESIC Fund | 3.39 | 3.83 |
| Incentive to Staff | 19.59 | - |
| Staff Welfare Expenses | 4.94 | 1.12 |
| **Total** | **277.16** | **243.12** |

**Footnote:**

(a) Salary to Directors is the managerial remuneration paid to the directors and the same is within the limit of 11% of eligible profits of the Company as per the provisions of section 197 & 198 of the Companies Act, 2013.

**Note 20: Finance costs**

(INR in Lakhs)

| Particulars | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Interest Expenses on Borrowings | 1,449.46 | 1,895.30 |
| Other Borrowing Cost | 198.85 | 76.15 |
| Goa | 59.45 | 68.58 |
| | | |
| **Total** | **1,707.76** | **2,040.03** |

**Footnote:**

a) In line with Ind AS-23 'Borrowing Costs', the borrowing costs of INR 1707.76 lakhs (For 2017-18: INR 1971.45 Lakhs) have been capitalised to inventory.

**Note 21: Selling Expenses**

(INR in Lakhs)

| Particulars | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Marketing Expenses | 423.77 | 454.90 |
| | | |
| | **423.77** | **454.90** |

**Note 22: Other Expenses**

(INR in Lakhs)

| Particulars | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Legal Fees - Project | 6.70 | 21.55 |
| Site Expenses - Indirect | 38.13 | 26.52 |
| Rates and Taxes | 83.22 | 7.19 |
| Compensation on Cancellation of Flat Sale | 74.21 | 130.17 |
| Office Rent | 25.64 | 23.18 |
| Professional Fees | 45.68 | 41.50 |
| Printing and Stationery | 3.58 | 5.58 |
| Other Expenses | 49.08 | 33.66 |
| Corporate Social Responsibility (CSR) (Note 22b) | 27.14 | 17.72 |
| Payments to Auditors (Refer Note 22a) | 3.50 | 4.75 |
| **Total** | **356.89** | **311.82** |

**Note 22(a): Details of Payments to Auditors**

(INR in Lakhs)

| Particulars | 31 March 2019 | 31 March 2018 |
|---|---|---|
| **Payment to Auditors** | | |
| **As Auditor:** | | |
| Audit Fees | 2.50 | 4.00 |
| Tax Audit Fees | 1.00 | 0.75 |
| | | |
| **Total** | **3.50** | **4.75** |

**Note 22(b): Corporate Social Responsibility Expenditure**

(INR in Lakhs)

| Particulars | 31 March 2019 | 31 March 2017 |
|---|---|---|
| CSR Expenses under DDUGKY Scheme | 20.00 | 1.95 |
| Donations for Social Cause | 1.50 | 11.05 |
| Tree Plantation & Garden Development Expenses | 0.30 | 4.73 |
| Other | 5.34 | - |
| **Total** | **27.14** | **17.72** |

**Footnote:**

CSR expenses under DDUGKY scheme of INR 20.00 lakhs ( 31st March 2018 : INR 1.95 lakhs) is in respect of contribution made by the company for the Deen Dayal Upadhyaya Grameen Kaushalya Yojana aimed at enhancing the employability of rural youth as part of the government's skill development initiative.

**Note 23 : Earnings Per Share:**

**(a) Basic Earnings Per Share**

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

**(INR in Lakhs)**

| Particulars | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Profit attributable to equity shareholders of the Company | 1,202.35 | 1,301.40 |
| Weighted average number of equity shares | 123.00 | 101.92 |
| Nominal Value of Equity Shares | INR 10/- | INR 10/- |
| Basic EPS | 9.78 | 12.77 |
| Diluted EPS | 9.78 | 12.77 |

For calculation of Earning Per Share, in case of bonus issue the number of equity share outstanding before the bonus issue is adjusted for proportionate change in number of equity shares outstanding as if the bonus issue had occurred at the beginning of the earliest period reported.

**Note 24: Commitments and Contingencies**

**Contingent Liabilities & Commitments (Not Provided For)**

**(INR in Lakhs)**

| Particulars | 31 March 2019 | 31 March 2018 |
|---|---|---|
| **(A) Claims against the Company not acknowledged as debts on account of :** | | |
| 1. Income tax and MVAT matters under appeal | 37.63 | 307.67 |
| 2. TDS liability on account of short deduction, short payment and interest thereon as per TRACES | - | 0.04 |
| 3. Towards pending legal cases | - | - |
| **(B) On account of corporate guarantees issued by the Company to bankers and others on behalf of other companies and joint ventures for facilities availed by them (amount outstanding there against.) (Refer Footnote c)** | 10,103.49 | 4,216.20 |
| **Total** | **10,141.12** | **4,523.91** |

**Footnotes:**

a. Interest / penalty that may accrue on original demands are not ascertainable, at present. The Company has taken necessary steps to protect its position with respect to the above referred claims, which in its opinion, based on professional / legal advice are not sustainable.

b. Contingent liabilities include corporate guarantees issued by the Company and relied upon by the Auditors.

c. The management is of the view that it was necessary to provide the corporate guarantees to further the business interest of the Company in the entities on whose behalf such guarantees have been provided and the management is of the view that there would be no sustainable claims on the Company in respect of these corporate guarantees.

The rate of interest, processing fees, any other charges levied by the lenders on the entities availing loans are based on internal guidelines of the lenders depending on the merits of the underlying projects and their estimated cash flows. Majority of the corporate guarantees issued by the Company are basically to provide comfort by the Company as a shareholder of the Borrower entity to the Lenders. These corporate guarantees, in any case, do not result in any additional benefits to the borrowers. Accordingly, the fair value of the corporate guarantees are excepted to be immaterial.

**Note 25: Disclosure pursuant to Indian Accounting Standard (Ind-AS) 24 Related Party Disclosures:**

**Related parties have been identified on the basis of representation and information given by the Key Management Personnel.**

| Sr. No. | Key Management Personnel | Nature of Relation |
|---|---|---|
| 1 | Mr. Naresh Jagumal Karda | Key Managerial Personnel |
| 2 | Mr. Manohar Jagumal Karda | Key Managerial Personnel |
| 3 | Mrs. Disha Naresh Karda | Key Managerial Personnel |
| 4 | Mr. Sandeep Ravindra Shah | Independent Director |
| 5 | Mrs. Shweta Raju Tolani | Independent Director |
| 6 | Mr. Rahul Kishor Dayama | Independent Director |
| 7 | Mr. Anil Nahata | Key Managerial Personnel (CFO) |
| 8 | Mrs. Mayura Shinde | Key Managerial Personnel (CS) |
| 9 | Mr. Prem Jagumal Karda | Relative of Director |
| 10 | Mr. Karamchand Karda | Relative of Director |
| 11 | Drishti Ceramics | Proprietory Firm of Director |
| 12 | Karda Constructions | Proprietory Firm of Director |
| 13 | Green Enterprises | Partnership Firm |
| 14 | Karda Infrastructures | Partnership Firm |
| 15 | Bhakti Enterprises | Partnership Firm |
| 16 | Devesh Infrastructures | Partnership Firm of Director |
| 17 | Karda Buildcon Private Limited | Associate |
| 18 | Shree Sainath Land and Development Pvt. Ltd. | Associate |
| 19 | The Address Hotel | Partnership Firm of Director |

**Footnote:**

(a) The transactions with the related parties are made on terms equivalent to those that prevail in arm's length transactions.

(b) No amount has been provided as doubtful debt or advance written off or written back in the year in respect of debts due from/to above related parties.

# Transactions entered during the year

(INR in Lakhs)

| Sr. No. | Name of the Party | Nature of Transactions | 31 March 2019 | 31 March 2018 |
|---|---|---|---|---|
| 1 | Mr. Prem Karda | Remuneration | 12.00 | 12.00 |
| 2 | Mrs. Disha Karda | Remuneration | 12.00 | 12.00 |
| 3 | Mr. Naresh Karda | Remuneration | 12.00 | 16.20 |
| 4 | Mr. Manohar Karda | Remuneration | 12.00 | 12.00 |
| 5 | Mrs. Disha Karda | Rent Payment | 6.00 | 6.00 |
| 6 | Mr. Naresh Karda | Rent Payment | 6.00 | 6.00 |
| 7 | Mr. Karamchand Karda | Rent Payment | 6.00 | 6.00 |
| 8 | Mrs. Shweta Tolani | Sitting Fees | 1.30 | 1.38 |
| 9 | Mr. Mohanlal Gurnani (Resigned) | Sitting Fees | - | 0.28 |
| 10 | Mr. Rahul Kishor Dayama | Sitting Fees | 1.12 | 0.28 |
| 11 | Mr. Sandeep Ravindra Shah | Sitting Fees | 0.49 | 0.21 |
| 12 | Mr. Kishor Karda | Sitting Fees | - | 0.27 |
| 13 | Mr. Rahul Kalani (Resigned) | Sitting Fees | - | 0.25 |
| 14 | Karda Constructions | Interest Payment | 11.22 | 187.09 |
| 15 | Karda Constructions | Unsecured Loans | 2,896.29 | 4,618.58 |
| 16 | Karda Constructions | Repayment of Unsecured Loans | 3,208.68 | 5,096.27 |
| 17 | Karda Constructions | Rent Income | 0.31 | 0.31 |
| 18 | Drishti Ceramics | Purchase of Material | 47.49 | 41.17 |
| 19 | Devesh Infrastructures | Labour Charges | - | 5.46 |
| 20 | Devesh Infrastructures | Rent Income | 0.31 | 0.31 |
| 21 | Karda Buildcon Private Limited | Rent Income | 0.31 | 0.31 |
| 22 | The Address Hotel | Rent Income | 1.50 | - |
| 23 | Green Enterprises | Profit from Firm | (0.34) | 0.08 |
| 24 | Karda Infrastructures | Profit from Firm | 160.96 | 222.93 |
| 25 | Karda Infrastructures | Interest Payment | 32.45 | - |
| 26 | Karda Infrastructures | Rent Income | 0.31 | 0.31 |
| 27 | Bhakti Enterprises | Profit from Firm | 0.29 | 0.65 |
| 28 | Bhakti Enterprises | Interest Receipt | 3.68 | - |
| 29 | Bhakti Enterprises | Rent Income | 0.31 | 0.31 |
| 30 | Shree Sainath Land and Development Pvt. Ltd. | Civil Contract Receipts (Sales) | 1,059.24 | - |
| 31 | Shree Sainath Land and Development Pvt. Ltd. | Rent Income | 0.31 | 0.31 |
| | | | | |
| | **Balances outstanding at the end of the year** | | | |
| 1 | Mr. Prem Karda | Remuneration | - | 2.52 |
| 2 | Mrs. Disha Karda | Remuneration | - | 6.87 |
| 3 | Mr. Naresh Karda | Remuneration | - | - |
| 4 | Mr. Manohar Karda | Remuneration | - | 8.16 |
| 5 | Mrs. Disha Karda | Rent Payment | - | 4.50 |
| 6 | Mr. Naresh Karda | Rent Payment | - | 6.44 |
| 7 | Mr. Karamchand Karda | Rent Payment | - | 5.40 |
| 8 | Karda Constructions | Unsecured Loans | 91.94 | 393.12 |
| 9 | Drishti Ceramics | Purchase of Material | 6.51 | 6.74 |
| 10 | Devesh Infrastructures | Labour Charges | - | 5.46 |
| 11 | Green Enterprises | Closing Capital Balance in Partnership Firms | (15.63) | (21.67) |
| 12 | Karda Infrastructures | | 1,142.00 | (1,775.07) |
| 13 | Bhakti Enterprises | | 694.56 | (15.36) |
| 14 | Shree Sainath Land and Development Pvt. Ltd. | Advance received against Civil Contract | 544.51 | - |

**Note 26 : Financial Risk Management Objectives and Policies**

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's senior management oversees the management of these risks. The Company's senior management provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

**1 Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument which fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Major financial instruments affected by market risk include loans and borrowings.

**(a) Interest rate risk**

Majority of the long-term borrowings of the Company bear fixed interest rate and thus interest rate risk is limited for the Company.

**(b) Foreign currency risk**

The Company is engaged in real estate business and the imports made by the company is very minimal for which hedging instruments are not required.

**(c) Equity price risk**

The Company's equity securities are not majorly susceptible to market price risk. However, the Company's Board of Directors reviews and approves all equity investment decisions after exercising due diligence which may affect the market related risk.

**2 Credit Risk**

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure of the financial assets are contributed by trade receivables, unbilled revenue, cash and cash equivalents and receivables from group companies.

**(a) Receivables resulting from sale of properties:** Customer credit risk is managed by requiring customers to pay advances before transfer of ownership, thereby substantially eliminating the Company's credit risk in this respect.

**(b) Receivables resulting from other than sale of properties:** Credit risk related to such receivables is managed as per Company's established policy, procedures and control. Outstanding customer receivables are regularly monitored. The impairment analysis is performed at each reporting date on an individual basis for major receivables. The Company does not hold collateral as security. The Company's credit period generally ranges from 30 to 90 days.

**(c) Credit risk on cash and cash equivalents is limited as the Company generally invests deposit with banks which have high credit ratings.**

**3 Liquidity Risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Management monitors rolling forecasts of the Company's liquidity position on the basis of expected cash flows. This monitoring includes financial ratios and takes into account the accessibility of cash and cash equivalents.

The Company has access to funds from debt markets through loan from banks, commercial papers, fixed deposits from public and other debt instruments. The Company invests its surplus funds in bank fixed deposits and debt based mutual funds.

**Note 27 :**

**Capital Management**

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's management is to maximise shareholders value and to ensure the company's ability to continue as a going concern.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may issue new shares. Consistent with others in the industry, the Company monitors its capital using the gearing ratio which is total net debt (borrowings offset by cash and cash equivalents) divided by total capital of the Company.

**Gearing Ratio**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define the capital structure requirements. Breaches in meeting the financial covenants would permit the lenders to immediately call loans and borrowings.

The gearing ratio at the reporting period was as follows:

**(INR in Lakhs)**

| **Particulars** | **As at 31st March, 2019** | **As at 31st March, 2018** |
|---|---|---|
| Borrowings including curent maturities | 12,827.08 | 12,686.02 |
| Interest accured and due/and but not due | - | - |
| Unpaid matured debentures and interest accrued thereon | - | - |
| **Total Debt** | 12,827.08 | 12,686.02 |
| Less : Cash & Cash Equivalents | - | - |
| **Net Debt (A)** | 12,827.08 | 12,686.02 |
| Equity Share Capital | 1,230.00 | 1,230.00 |
| Other Equity | 8,194.03 | 7,106.54 |
| **Total Equity (B)** | 9,424.03 | 8,336.54 |
| **Debt Equity Ratio (A/B)** | **1.36** | **1.52** |

**Note 28 :**

**Categories of Financial Instruments**

**Fair Value Measurement**

**(INR in Lakhs)**

| **Particulars** | **As at 31st March, 2019** | | **As at 31st March, 2018** | |
|---|---|---|---|---|
| | **FVPL / FVOCI** | **Amortised Cost** | **FVPL / FVOCI** | **Amortised Cost** |
| **Financial Assets** | | | | |
| Investments | - | 2,731.25 | - | 232.10 |
| Trade Receivables | - | 1,124.85 | - | 166.76 |
| Cash and cash equivalents | - | 650.47 | - | 9,191.35 |
| Loans & Advances | - | 3,054.51 | - | 4,112.13 |
| Other Financial Assets | - | 2,479.61 | - | 905.07 |
| **Total** | - | **10,040.70** | - | **14,607.41** |
| **Financial Liabilities** | | | | |
| Borrowings | - | 7,372.03 | - | 10,195.07 |
| Trade Payables | - | 1,748.21 | - | 1,449.63 |
| Other Financial Liabilities | - | 6,040.91 | - | 6,104.98 |
| **Total** | - | **15,161.15** | - | **17,749.69** |

**Note 29 : Employee Benefits**

**(a) Defined Contribution Plans:**

Contribution to Defined Contribution Plans recognised as expense for the year are as under:

**(INR in Lakhs)**

| Particulars | As at 31st March, 2019 | As at 31st March, 2018 |
|---|---|---|
| Employer's Contribution to Provident Fund (Gross before Allocation) | 11.43 | 10.40 |
| Employer's Contribution to ESIC | 3.39 | 3.83 |

**(b) Defined Benefit Plans:**

**Contribution to Gratuity Fund (Non-Funded)**

Gratuity is payable to all eligible employees on death or on separation/ termination in terms of the provisions of the Payment of Gratuity Act or as per the Company's policy whichever is beneficial to the employees.

The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

**Note 30 : Leases**

The company has entered into cancellable operating leasing arrangements for commercial premises and office premises:

**(INR in Lakhs)**

| Particulars | As at 31st March, 2019 | As at 31st March, 2018 |
|---|---|---|
| Operating lease expenses recognised in profit and loss account | 25.64 | 23.18 |

The lease term do not contain any exceptional / restrictive covenants nor are there any options given by the lesser to purchase the properties. The agreement provide for changes in the rentals along with taxes leviable.

**Note 31 : Disclosure Pursuant To Indian Accounting Standard (Ind-AS) 12 Income Taxes:**

The company has recognised Deferred Tax Assets of Rs.1.28 Lakhs in the Profit and Loss Account, the details of which are as under:

**(INR in Lakhs)**

| Particulars | As at 31st March, 2019 | As at 31st March, 2018 |
|---|---|---|
| **Deferred Tax Liabilities** | | |
| Income Tax at the applicable rate on the difference between the aggregate book written down value and tax written down value of property, plant and equipment | (1.28) | (1.75) |
| **Deferred Tax Liabilities (Net)** | **(1.28)** | **(1.75)** |

**Note 32 :**

Loans and advances, other receivables, debtors and creditors are subject to confirmations and are considered payable / realisable, as the case may be.

**Note 33 : Segment Reporting**

**(a) Basis of Segmentation**

**Factors used to identify the entity's reportable segments, including the basis of organisatio**

For management purposes, the Company's business activity falls within a two business segment viz. 'Development of Real Estate Property' & 'Civil Contracting Business', the financial statements are reflective of the information required by Ind AS 108 “Operating Segments”. The Managing Director of the Company acts as the Chief Operating Decision Maker (“CODM”). The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators.

**(b) Geographical Information**

The geographic information analyses the Company's revenue and Non-Current Assets by the Company's country of domicile and other countries. As the Company is engaged in Development of Real Estate property & Civil Contracting Business in India, it has only one reportable geographical segment

**( c ) Information about major customers**

None of the customers for the years ended March 31, 2019 and March 31, 2018 constituted 10% or more of the total revenue of the Company.

**Audited Standalone Segment wise Revenue, Results, Assets and Liabilities for the year ended March 31, 2019:**

(INR In Lakhs)

| | Particulars | Year Ended | |
|---|---|---|---|
| | | 31-Mar-19 | 31-Mar-18 |
| I | **Segment Revenue** | | |
| | (a) Real Estate | 8,797.03 | 12,145.95 |
| | (b) Civil Contracting Business | 1,732.63 | 533.18 |
| | **Total Segment Revenue** | **10,529.66** | **12,679.13** |
| | Less: Inter segment revenue | - | - |
| | **Net income from operations** | **10,529.66** | **12,679.13** |
| II | **Segment Results (Profit before unallocable (expenditure) / income, interest and finance charges and tax)** | | |
| | (a) Real Estate | 2,608.31 | 2,954.67 |
| | (b) Civil Contracting Business | 358.81 | 127.43 |
| | **Total segment results** | **2,967.13** | **3,082.10** |
| | **Add/( Less):** | | |
| | Less : Interest and finance charges | 1,707.76 | 2,040.03 |
| | Add: Unallocated Income (Other Income) | 344.10 | 776.10 |
| | **Profit Before Tax** | **1,603.46** | **1,886.75** |
| III | **Segment Assets** | | |
| | (a) Real Estate | 25,544.31 | 29,553.22 |
| | (b) Civil Contracting Business | 1,002.06 | 390.74 |
| | **Total segment assets** | **26,546.36** | **29,943.96** |
| | Add: Unallocated assets | | - |
| | **Total Assets** | **26,546.36** | **29,943.96** |
| | **Segment Liabilities** | | |
| | (a) Real Estate | 16,362.97 | 21,550.13 |
| | (b) Civil Contracting Business | 759.37 | 57.30 |
| | **Total segment liability** | **17,122.34** | **21,607.42** |
| | Add: Unallocated liabilities | | - |
| | **Total Liabilities** | **17,122.34** | **21,607.42** |

(1) Unallocated income comprise of other income shown in the financial results.

(2) Unallocated assets primarily comprise of corporate investments and property, plant and equipment.

(3) Unallocated liabilities include deferred tax liabilities.

**Note 34 : Corporate Social Responsibility**

The Company has spent INR 27.14 Lakhs during the year (Previous Year 2018 : INR 17.72 Lakhs) as per the provisions of Section 135 of the Companies Act, 2013 towards Corporate Social Responsibility (CSR) activities grouped under 'Other Expenses'.

(a) Gross amount required to be spend by the Company during the year is INR 27.04 Lakhs
(Previous Year 2018 : INR 17.45 Lakhs).

(b) Amount spent during the year on:

**(INR in Lakhs)**

| Particulars | Amount Spent in Cash | Amount yet to be paid in Cash | Total Amount |
|---|---|---|---|
| **Year ended March 31, 2019** | | | |
| (i) Construction / Acquisition of any Asset | - | - | - |
| (ii) On purposes other than (i) above | **27.14** | **-** | **27.14** |
| **Year ended March 31, 2018** | | | |
| (i) Construction / Acquisition of any Asset | - | - | - |
| (ii) On purposes other than (i) above | **17.72** | **-** | **17.72** |

**Note 35 :**

Disclosure of outstanding dues of Micro and Small Enterprise under Trade Payables is based on the information available with the Company regarding the status of the suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006. There is no undisputed amount overdue during the years ended and as at March 31, 2019 and March 31, 2018 to Micro, Small and Medium Enterprises on account of principal or interest.

**Note 36 :**

The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 have not been made since the requirement does not pertain to financial year ended 31 March 2019.

**Note 37 :**

Cash and Cash Equivalents and Bank Balances includes balances in Escrow Account which shall be used only for specified purposes as defined under Real Estate (Regulation and Development) Act, 2016.

**Note 38 :**

The financial statements for the year ended 31 March 2019 were approved by the Board of Directors and authorised for issue on 28 May 2019.

**Note 39 :**

Previous period figures have been regrouped and reclassified wherever necessary, to confirm with current years' presentation.

As per our report of even date
**For JPL & Associates**
***Chartered Accountants***
(Firm Registration No. 132748W)

**CA VIPUL LATHI**
*Partner*
Membership No.134897

Place : Nashik
Date: 29 May, 2019

**For and on behalf of the Board of Directors**

**NARESH KARDA**
*Chairman & MD*
DIN: 01741279

**MANOHAR KARDA**
*Whole Time Director*
DIN : 01808564

**ANIL NAHATA**
*Chief Financial Officer*

**MAYURA MARATHE**
*Company Secretary*

Place : Nashik
Date: 29 May, 2019

| ATTENDANCE SLIP<br>To be handed over at the entrance of the Meeting Hall | | | |
|---|---|---|---|
| For Physical Holding | For Electronic Form (Demat) NSDL/CDSL | | No. of Shares Held |
| LF No | DP ID | CLIENT ID | |
| | | | |
| I hereby record my presence at the Annual General Meeting of the Company, being held on Saturday, 21st September, 2019at 12.30 P.M. at BLVD Nashik at P20, Trambakeshwar Rd, MIDC, Satpur Colony, Nashik-422007. | | | |
| FULL NAME AND ADDRESS OF THE MEMBER/JOINT MEMBER(S) / PROXY (IN CAPITAL LETTERS): | | | |
| | | | |
| IF PROXY, FULL NAME AND ADDRESS OF MEMBER/JOINT MEMBER(S) (IN BLOCK CAPITAL LETTERS): | | | |
| | | | |
| Name of the Member/ Proxy (in Block Letters) | | | Signature of the Member/ Proxy |

Note:

1. Please complete the Folio/DP ID-Client ID No. and name, sign the Attendance Slip and hand it over at the Attendance Verification counter at the entrance of the Meeting Hall. Joint Shareholders may obtain additional attendance slips at the entrance.

2. Electronic copy of the Annual Report including notice of Annual General Meeting for the financial year ended on 31.03.2019 and Attendance Slip along with Proxy Form is being sent to all the members whose e-mail address is registered with the Company / Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.

3. Physical copy of Annual Report for the financial period ended on 31.03.2019 and Notice of Annual General Meeting along with Attendance Slip and Proxy Form is being sent in the permitted mode(s) to all members whose email is not registered or have requested for a hard copy.

# Proxy Form

## Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014-Form MGT-11

**KARDA CONSTRUCTIONS LIMITED**
**CIN: L45400MH2007PLC174194**
**2nd floor, Gulmohar Status above Business Bank, Samarth Nagar, Nashik - 422005**

Name of the Member _____

Registered Address _____

Email Id: _____

Folio No / Client ID: _____

DP ID: _____

I/We, being the member (s) of _____ shares of the above named company, hereby appoint –

- Name: _____
  Address: _____
  E-mail Id: _____
  Signature: _____
  OR failing him _____

- Name: _____
  Address: _____
  E-mail Id: _____
  Signature: _____
  OR failing him _____

- Name: _____
  Address: _____
  E-mail Id: _____
  Signature: _____

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 12th Annual general meeting of the company, to be held on the 21st day of September,2019 at 12.30 p.m.. at **BLVD Nashik** at **P-20, Trambakeshwar Rd, MIDC, Satpur Colony, Nashik-422007** and at any adjournment thereof in respect of such resolutions as are indicated below:

| Resolution No | Resolution | Type of resolution | No of shares held | Vote( Optional, see note 2) | |
|---|---|---|---|---|---|
| | | | | For | Against |
| 1 | To receive, consider and adopt the audited standalone financial statements of the Company for the Financial Year ended March 31, 2019, the report of the Board of Directors and Auditors there on | Ordinary | | | |
| 2 | To appoint a Director in place of Mrs. Disha Karda (DIN: 06424475), who retires by rotation and being eligible, offers herself for re-appointment | Ordinary | | | |
| 3 | To ratify remuneration payable to the Cost Auditors, M/s. C Y & Associates for the Financial Year 2019-2020 | Ordinary | | | |

Signed this _____ day of _____, 20 _____

Signature of shareholder _____

Signature of Proxy holder(s) _____

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. It is optional to indicate your preference. If you leave the for or against column blank against any or all of the resolutions, your proxy will be entitled to vote in the manner as he / she may deem appropriate.

# MANAGING DIRECTOR & CHIEF FINANCIAL OFFICER CERTIFICATION

To,
The Board of Directors
KARDA CONSTRUCTIONS LIMITED

Subject: Certificate in accordance with Regulation 33(2) (a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We, undersigned certify that the Audited Financial Results for the quarter and year ended 31 March, 2019 prepared in accordance with Clause 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 do not contain any false or misleading statement or figures and do not omit any material fact which may make the statements or figures contained therein misleading and we further certify that;

We have reviewed financial statements and the cash flow statement for the quarter and year ended March 31, 2019 and that to the best of their knowledge and belief:-

- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- We have indicated to the auditors and the Audit committee:
- significant changes in internal control over financial reporting during the year;
- significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

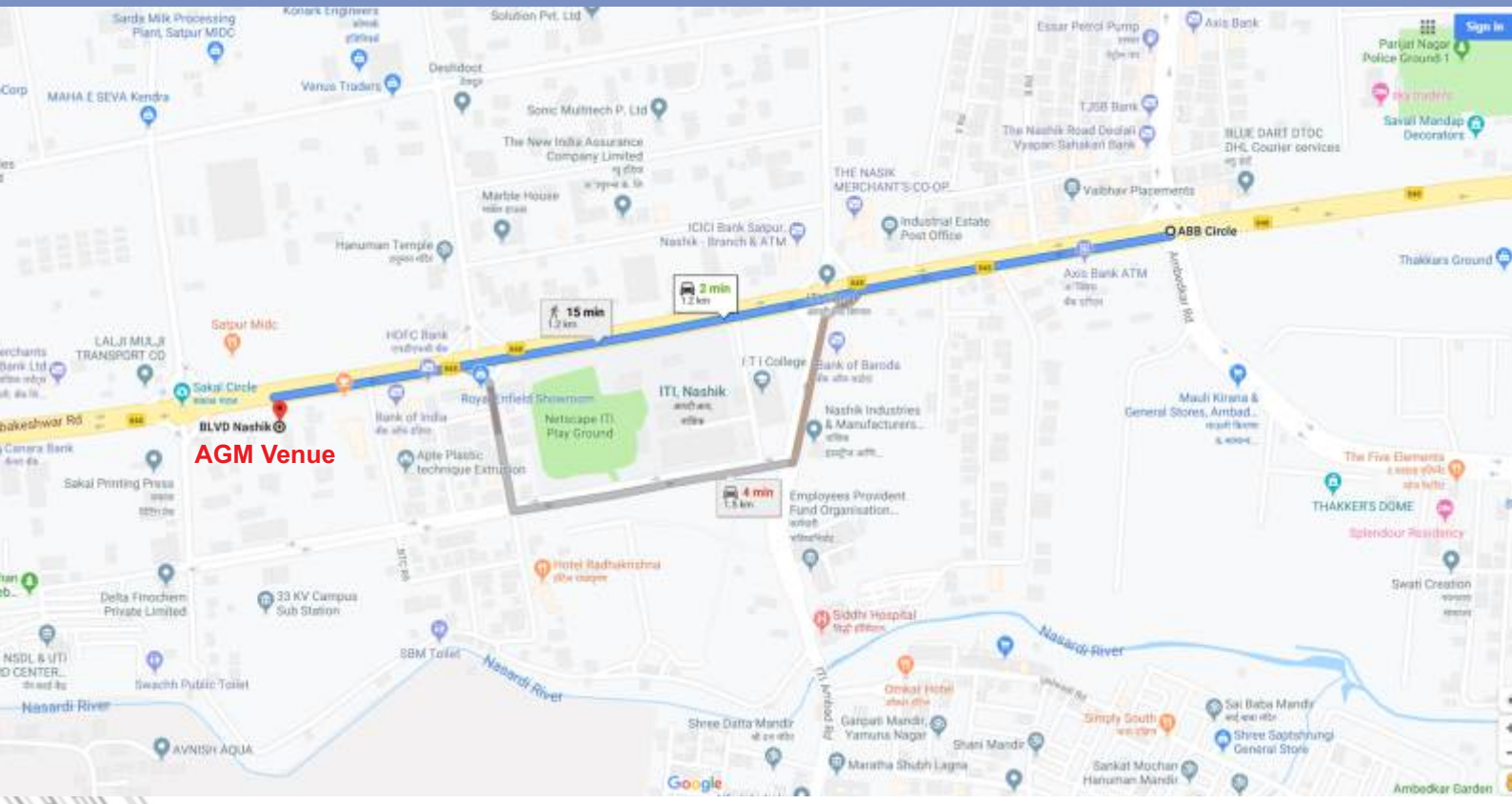
Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

NARESH J KARDA
MANAGING DIRECTOR
DIN: 01741279

ANIL NAHATA
CFO

Date: 13 August, 2019
Place: Nashik

# Route Map to the venue of the AGM



## Projects Location Map




Corporate Office: Saikripa Complex, Tilak road, opp, Muktidham, Nashik road, Maharashtra, India. Ph.: +91-253 2465436

City Office: 2nd Floor, Gulmohar status, Samarth Nagar, Nashik, Maharashtra, India Ph.: +91-253 2351090

Email: enquirekarda@gmail.com | Facebook: /kardaconstruction
Web: www.kardaconstruction.com

