



# ANNUAL REPORT 2017-2018



**KARDA**<sup>TM</sup>  
CONSTRUCTIONS

BUILDERS & DEVELOPERS

KARDA CONSTRUCTIONS LTD

## Chairman's Message,

Dear Shareholders,

On behalf of the Board of Directors of Karda Constructions Limited, I am happy to welcome you to the 11th Annual General Meeting of your company. Thank you for your continued support and goodwill that is crucial to the success of our company.

This being our first Annual General Meeting after the listing let me brief you about the Karda Constructions Limited. We are a real estate company from Nasik. The group started its real estate business in 1994 and since then in the journey of the last 25 years we have proved ourselves as a prominent brand in the real estate in and around Nasik. The company is primarily focused in the residential real estate which forms a major chunk of our portfolio that is almost more than 95%.

The strength of Karda Constructions Limited has been our geographical spread in Nasik. Our projects cover almost 70% of Nasik area. We are almost present across all segments that is Capsule Homes, Classic Homes and Crysta Homes and some commercial areas, giving us a wide range of real estate to offer our customers.

The real estate industry has been facing challenges due to changing environment, be it the implementation of RERA, introduction of GST, changes in DCR rules, etc. These changes are expected to bring in positive changes to the industry in long term but the industry is yet to adjust itself to these changes. In spite of the challenges, your company has been able to deliver an excellent performance in the quarter gone by.

We have realised that the only way to overcome this challenging environment is to have a strong marketing and selling ability. We have carried out a lot of promotional activities at corporate offices, in industrial areas, and towns, including presentation, loan mela's, real estate awareness programs, etc. and this has started yielding good results. We already have the bookings for 75 units in the quarter ending June, 2018 and we expect the momentum to continue into next quarter.

We have also launched a new project named as Hari Aakruti Phase-II at Bhabha Nagar in the month of April, 2018.

Our total revenue in the quarter has been Rs. 30.4 crore as against yearly sale of Rs. 134.55 crore in the last financial year. Our profit EBITDA margin for the quarter has been 31.21% against 28.89%. The PAT margin has increased from 9.67% to 13.88% of the revenue.

We have been able to reduce the financial cost for the quarter which is Rs. 4.04 crore as compared to Rs. 19.71 crore for the full year in the last financial year. Our revenue from contracting segment for the quarter has been Rs. 3.11 crore which is approximately 11% of the total revenue. In the way ahead we are expecting the sale to pick up in the coming quarter with the festive events coming up like Ganesh Chaturthi, Diwali, Navaratri which generally generate good sales. Thank you.

I would also like to express that out of our total inventory we are going to construct 40% affordable units. These units are getting the benefit of Pradhan Mantri Awas Yojana and Income Tax 80-IB(10) schemes. So around 40-50% inventory is affordable and 20% inventory is in medium segment and around 10-15% is the premium segment. These are the marketing strategies and with this we are spread in different areas like all the location of Nasik, Nasik Road, Deolali, so we are getting the customers from all these area. Further, Rs. 625 crore construction area is under construction. And the total sales yet to be booked from this projects is Rs 300 crore. All the projects are at different level. Some projects are completed, some are under construction, and we have started some of them. We can say 60% units completion is done and it will take another 2-2.5 years to complete.

Our Largest project is Hari Sanskruti-I. It is the affordable project which is of about 600 units, 458,000 square feet is the area of that project. We have almost recently completed all our major projects. So, hardly there will be 1-2 projects which are under construction WIP, of which we have recognized revenue till 31st March, 2018. So, approximately 15-20 crore of the revenue will be reversed in this current financial year, 2019. We have already received the completion certificate for major of our projects.

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 various countries and states 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

SD/-  
Naresh Karda  
Chairman & Managing Director





## Awards And Recognitions



**Excellence in Marketing  
Strategy Maa FM**



**Lokmat Corporate Award For Brand  
Excellence In Residential Project**



**Goda Sanman Puraskar**



**Lokmat Vishwakarma - the dream  
Builders Maharashtra and Goa**

## 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	Additional 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





# Glimpse of Our Project

## HARI VISHWA 2/3 BHK Premium Flats

*Ready Possession*

Behind Express Inn Hotel,  
Pathardi Phata, Nashik.

**PATHARDI PHATA**



## HARI SANSKRUTI II 2/3 BHK Luxurious Flats 1 & 2 BHK Flats

Nasik Road (E), Nashik.

**INDIRA NAGAR**



## HARI SANSKRUTI STUDIO/ 1/ 2/ 3/ BHK Budget Flats

*Ready Possession*

Nasik Road (E), Nashik.

**NASHIK ROAD (E)**



## HARI BHAKTI 2/3/4 BHK Luxurious Flats/ Shops & Offices

Artillery Center Road,  
Nashik Road.

**ARTILLERY CENTER ROAD**



## HARI VASANT TWIN TOWERS 2/3/4 BHK Luxurious Flats

*Sample Plot Ready*  
Near Asaram Bapu Ashram  
Savarkar Nagar, Gangapur Road,  
Nashik.

**GANGAPUR ROAD**



## HARI OM II 1/2/3 BHK Flats

*Sample Plot Ready*

Indira Nagar Annexe, Nashik.

**INDIRA NAGAR**



## HARI ANAND 1/ 2 BHK Budget Flats

*Ready Possession*

Mankar Nagar,  
Makhmalabad, Nashik.

**MAKHMALABAD**



### 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

### Registrar Share Transfer Agent

Sharex Dynamic (India) Pvt. Ltd  
Unit No. 1, Luthra Ind. Premises, 1st Floor, 44-E,  
M. VasANJI Marg, Andheri Kurla Road,  
Safed Pool, Andheri (E), Mumbai, Maharashtra, 400072  
E-Mail Id: sharexindia@vsnl.com

### Bankers

ICICI Home Finance Company Limited  
State Bank Of India  
Axis Bank Limited  
Indiabulls Commercial Credit Limited  
The Nasik Road Deolali Vyapari Sahakari Bank Ltd  
Nasik Pune Road Br  
The Nashik Road Deolali Vyapari Sahakari Bank  
Ltd  
Upnagar Branch  
The Navjeevan Co-operative Bank Limited  
Ecl Finance Limited  
Central Bank of India  
The Nashik Road Deolali Vyapari Bank





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## NOTICE

Notice is hereby given that the 11th Annual General Meeting of the members of KARDA CONSTRUCTIONS LIMITED will be held on Saturday, 29th September, 2018 at the The SSK Solitaire Hotels & Banquets- Ahilyabai Holkar Marg, Tidke Colony, Nashik- 422002, Maharashtra at 11:30 A.M.

A Statement of business to be transacted at the Annual General Meeting (i.e. Agenda) is enclosed here with along with the Annual Report for the financial year 2017-2018.

Kindly make it convenient to attend the meeting.

Thanking You,

BY THE ORDER OF THE BOARD OF DIRECTORS  
FOR KARDA CONSTRUCTIONS LIMITED  
SD/-

MAYURA MARATHE  
COMPANY SECRETARY  
MEMBERSHIP NO.44678

Date: 23rd August, 2018

Place: Nashik

Enclosures:

Agenda

Explanatory Statement

Attendance Slip

Proxy Form

Financials 2017-2018



# Enclosure 1: Statement of Business to be transacted at the Annual General Meeting (Agenda)

## ORDINARY BUSINESSES:

### Item No: 1

#### CONSIDERATION OF FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 2017-2018 AND THE REPORTS OF THE BOARD OF DIRECTORS AND AUDITORS THEREON

##### Action required: -

To consider and adopt financial statements, board's report and auditor's report by way of passing Ordinary Resolution.

### Item No: 2

#### APPOINTMENT OF DIRECTOR IN PLACE OF THOSE RETIRING BY ROTATION

##### Action required: -

To reappoint Mr. Manohar Jagumal Karda, Whole Time Director, who retires by rotation and being eligible offers himself for reappointment.

### Item No: 3

#### APPOINTMENT OF THE AUDITORS AND FIXING OF REMUNERATION

##### Action required: -

To appoint the auditors for the financial year 2018-2019 and to fix the remuneration by way of passing Ordinary Resolution.

**"RESOLVED THAT** pursuant to the provisions of Sections 139, 142, 143 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s. J P L and Associates ,Chartered Accountants, (FRN.: 132748W) be and is hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting ("AGM") till the conclusion of fifth Annual General meeting of the Company to be held in the year 2023 subject to ratification of their appointment at every AGM, at such remuneration, as may be mutually agreed upon between the Board of Directors of the Company and the Auditors."

## SPECIAL BUSINESSES:

### Item No: 4

#### REGULARISATION OF ADDITIONAL DIRECTOR MR. SANDEEP RAVINDRA SHAH (DIN: 06402659) BY APPOINTING HIM AS NON EXECUTIVE INDEPENDENT DIRECTOR

##### Action required: -

To consider and if thought fit to pass the following resolution as an ordinary resolution:

**"RESOLVED THAT** Mr. Sandeep Ravindra Shah (DIN: 06402659) who was appointed by the Board of Directors as an Additional Director of the Company with effect from February 16, 2018 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 ("the Act") and Article 82 of Articles of Association of the Company but who is eligible for appointment and has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act, and the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV of the Act, as amended from time to time, the appointment of Mr. Sandeep Ravindra Shah (DIN: 06402659) who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of five years commencing with effect from February 16, 2018 to February 15, 2023, be and is hereby approved."

**Item No: 5**

**APPROVE THE REMUNERATION OF THE COST AUDITORS FOR THE FINANCIAL YEAR 2018-19 & TO CONSIDER AND IF THOUGHT FIT, TO PASS, WITH OR WITHOUT MODIFICATION(S), THE FOLLOWING RESOLUTION AS ORDINARY RESOLUTION:**

**Action required: -**

To consider and if thought fit to pass the following resolution as an ordinary resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions 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), M/s. C Y & Associates Cost Auditors appointed by the Board on the recommendation of the Audit Committee of the Company, to conduct the audit of the cost records of the Company for the financial year 2018-19, be paid the remuneration as set out in the Statement annexed to the Notice convening this Meeting.

**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".

**Item No: 6**

**AUTHORITY TO BORROW U/S 180(1)(A) AND 180(1)(C) OF THE COMPANIES ACT, 2013**

**Action required: -**

To consider and if thought fit to pass the following resolution as a Special resolution:

**"RESOLVED THAT** pursuant to the provision of section 180(1)(c) of the Companies Act 2013, the consent of the members be and is hereby accorded to authorise the Board of directors of the Company to borrow money from time to time such some of money even though the money so borrowed together with money already borrowed exceeds the aggregate of the paid up capital and free reserves of the company provided, however, that the total borrowing apart from the Temporary Loans taken from the Company's Bankers, shall not exceed Rs. 1000 Crores (Rupees one Thousand Crores only).

**RESOLVED FURTHER THAT** the consent of the members of the Company be and is hereby accorded pursuant to the provisions of section 180(1) (a) of the Companies Act, 2013 for mortgaging and charging by the Board of the Directors of the Company of all the immovable and movable properties of the Company wherever situated present and future and the whole of the undertaking of the Company together with the power to take over the management of the Business of the Company in certain events.



**RESOLVED FURTHER THAT** Mr. Naresh Jagumal Karda, Chairman and Managing Director and Mr. Manohar Jagumal Karda; Whole Time Directors of the Company be and are hereby authorized to finalize with the Lenders the documents for creating the aforesaid mortgage and / or charge and also filing of various e-forms to the respective Registrar and to do all such acts and things as may be necessary for giving effect to this resolution.”

**Item No: 7**

**APPROVAL FOR GRANTING LOAN AND INVESTMENTS BY THE COMPANY**

**Action required: -**

To consider and if thought fit to pass the following resolution as a Special resolution:

**“RESOLVED THAT** pursuant to the provision of section 186(3) and Section 179 (3) of the Companies Act 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014, the consent of members of the company be and is hereby accorded to authorise the Board of directors of the Company to grant loans from time to time such some of money even though the money so lent exceeding sixty per cent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more., however, the amount of such loans granted shall not exceed Rs. 1000 Crores (One Thousand Crore only).

**RESOLVED FURTHER THAT** pursuant to Section 186 (5) no investment shall be made or loan or guarantee or security given by the company unless the resolution sanctioning it is passed at a meeting of the Board with the consent of all the directors present at the meeting and the prior approval of the public financial institution concerned where any term loan is subsisting, is obtained.

**RESOLVED FURTHER THAT** in accordance with Section 186(7) no loan shall be given at a rate of interest lower than the prevailing yield of one year, three year, five year or ten year Government Security closest to the tenor of the loan.

**RESOLVED FURTHER THAT** a copy of this resolution or any other document or proceeding requiring authentication of the company be signed by any Key Managerial personnel or officer of the Company as authorised by the Board pursuant to Section 21 of the Companies Act, 2013 or by any director as authorised by the board in this behalf.”

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

SD/-

MAYURA MARATHE  
COMPANY SECRETARY  
MEMBERSHIP NO.44678

Date: 23rd August, 2018

Place: Nashik

## Enclosure 2:

### A statement setting out the material facts concerning each item of special business to be transacted at the Annual general meeting (Explanatory Statement)

Item No. 4: -

#### **REGULARISATION OF ADDITIONAL DIRECTOR MR. SANDEEP RAVINDRA SHAH (DIN: 06402659) BY APPOINTING HIM AS NON EXECUTIVE INDEPENDENT DIRECTOR**

##### **(a) Justification for choosing the appointee for appointment as independent director:**

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Sandeep Shah for the office of Independent (Non-Executive) Director in terms of Section 164 of the Act and has given his consent to act as Independent (Non-Executive) Director. Section 149 of the Act inter alia stipulates the criteria of Independence should company propose to appoint an Independent (Non-Executive) Director on its Board. The Company has received a declaration from Mr. Sandeep Shah that he meets with the criteria of Independence as prescribed under section (6) of section 149 of the act.

##### **(b) Nature of concern or interest:**

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.

##### **(c) Other information and facts that may enable members to understand the meaning, scope and implications of the items of business and to take decision thereon:**

Pursuant to Section 160 of the Companies Act, 2013, the company has received notices in writing from the following member for appointment as independent Director on the Board of the company.

Mr. Prem Jagumal Karda

The applications received from the aforesaid person, was accompanied with the relevant documents declaring that, if appointed, they shall be considered independent for the purpose of Section 149, read with Schedule IV of the Companies Act, 2013 and the rules made there under. The Board has undertaken due diligence of aforesaid persons to determine his eligibility for appointment as Independent Director on the Board, bases upon his qualification, expertise, track record integrity etc.

Further in the opinion of the Board, the independent directors proposed to be appointed shall fulfill the conditions specified in the Act and the rules made there under.

The Board considers that association of Mr. Sandeep Shah as an Independent Director will be of immense benefit to the company.



**(d) 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 (if the extent of such shareholding is not less than 2 % of the paid-up capital of that other company/(s)):**

This item of special business to be transacted at the extraordinary 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.

**(e) Time and place where the documents referred in the item of business can be inspected:**

This item of special business to be transacted at the extraordinary general meeting refers to the following documents: -

1. Certified true copy of resolution passed
2. Brief profile of Independent director

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

Further, upon specific request, the Company can send the member, a copy of the Articles of Association of the Company, within seven days of the request pursuant to Section 17 of the Companies Act, 2013.

**Item No.5:**

**APPROVE THE REMUNERATION OF THE COST AUDITORS FOR THE FINANCIAL YEAR 2018-19 & TO CONSIDER AND IF THOUGHT FIT, TO PASS, WITH OR WITHOUT MODIFICATION(S), THE FOLLOWING RESOLUTION AS ORDINARY RESOLUTION:**

**(a) Nature of concern or interest:**

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.

**(b) Other information and facts that may enable members to understand the meaning, scope and implications of the items of business and to take decision thereon: -**

The Board, on the recommendation of the Audit Committee, has approved at their Meeting held on 23 rd August, 2018 the appointment of 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. 60,000/- 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. 5 of the Notice.

**(c) 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 (if the extent of such shareholding is not less than 2 % of the paid-up capital of that other company/(s)):**

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.

**(d) Time and place where the documents referred in the item of business can be inspected: -**

This item of special business to be transacted at the extraordinary general meeting refers to the following documents: -

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

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

Further, upon specific request, the Company can send the member, a copy of the Articles of Association of the Company, within seven days of the request pursuant to Section 17 of the Companies Act, 2013.

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

**Item No. 6:**

**AUTHORITY TO BORROW U/S 180(1)(A) AND 180(1)(C) OF THE COMPANIES ACT, 2013:**

**(a) Nature of concern or interest: -**

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.

**(b) Other information and facts that may enable members to understand the meaning, scope and implications of the items of business and to take decision thereon: -**

The company might need to borrow funds from Banks, Financial Institutions etc for meeting the requirements of working capital of the company.

Company has total 16 registered projects on MAHARERA portal. Hence company might need funds for the constructions activities of the ongoing projects in future.

**(c) 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 (if the extent of such shareholding is not less than 2 % of the paid-up capital of that other company/(s)):-**

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.

**(d) Time and place where the documents referred in the item of business can be inspected: -**

This item of special business to be transacted at the extraordinary general meeting refers to the following documents: -

1. Certified true copy of resolution passed. The document/(s) mentioned above is/are available for inspection at any time, during the business hours at the registered office of the company.

The board commends passing the resolution, as a Special Resolution, with or without modifications.

**Item No.: 7:**

**APPROVAL FOR GRANTING LOAN AND INVESTMENTS BY THE COMPANY:**

**(a) Nature of concern or interest: -**

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.

**(b) Other information and facts that may enable members to understand the meaning, scope and implications of the items of business and to take decision thereon: -**

As company with availability of the surplus funds or so, may grant loans or advances with view to utilize such funds of the company with view of expansion of the business.

**(c) 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 (if the extent of such shareholding is not less than 2 % of the paid-up capital of that other company/(s)):-**

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.

**(d) Time and place where the documents referred in the item of business can be inspected: -**

This item of special business to be transacted at the extraordinary general meeting refers to the following documents: -

1. Certified true copy of resolution passed

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

The board commends passing the resolution, as a Special Resolution, with or without modifications.

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

**SD/-**

**MAYURA MARATHE  
COMPANY SECRETARY  
MEMBERSHIP NO.44678**

**Date: 23rd August,2018**

**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.
- A Statement of business to be transacted at the meeting (i.e. Agenda) as required under section 101 (2) of the Companies Act, 2013 is enclosed herewith.
- Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at this AGM, is annexed.
- The route map showing directions to reach the venue of the AGM is annexed.
- 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 (Refer Section 105 (1) of the Companies Act, 2013) and Proxy need not be a Member of the Company.
- The appointment of proxy is in Form No. MGT-11. Please find attached the form. 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.
- 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.
- Electronic copy of the Notice of the 11th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 11th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
- Voting Options

### Voting through Electronic Means

(1) Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

#### **A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company / Depository Participants(s)]:**

- (i) Open email and open PDF file viz; "Karda Construction Limited e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password / PIN for e-voting. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>
- (iii) Click on Shareholder – Login
- (iv) Put user ID and password as initial password / PIN noted in step (i) above Click Login.
- (v) Password change menu appears.

Change the password / PIN with new password of your choice with minimum 8 digits / characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) Home page of e-voting opens. Click on e-voting: Active Voting Cycles.

(vii) Select "EVEN" of Karda Construction Limited.

(viii) Now you are ready for e-voting as Cast Vote page opens.

(ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

(x) Upon confirmation, the message "Vote cast successfully" will be displayed.

(xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

(xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF / JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

**B. In case a Member receives physical copy of the Notice of AGM and Attendance Slip [for members whose email IDs are not registered with the Company / Depository Participants(s)] or requesting physical copy:**

(i) Initial password is provided at the bottom of the Attendance Slip for the AGM: EVEN (E-voting Event Number) USER ID PASSWORD/PIN.

(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) Above, to cast vote.

**Voting at AGM:**

The members who have not cast their vote by remote e-voting can exercise their voting rights at the AGM. The Company will make arrangements of ballot papers in this regards at the AGM Venue.

## OTHER INSTRUCTIONS

- In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e voting user manual for Shareholders available at the Downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
- If you are already registered with NSDL for e-voting then you can use your existing user ID and password /PIN for casting your vote.
- You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Friday, 21st September, 2018, 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 Wednesday, 26th September, 2018 and will end at 5.00 p.m. on Friday, 28th September, 2018. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 21st September, 2018, may cast their vote electronically. The e-voting module shall be disabled by NSDL 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 21st September, 2018.**
  - a) 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. 21st September, 2018, may obtain the login ID and password by sending an email to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) by mentioning their Folio No. /DP ID and Client ID No. However, if you are already registered with NSDL for remote e-voting then you can use your existing user
  - b) ID and password for casting your vote. If you forget your password, you can reset your password by using "Forget User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
- A member may participate in the meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the meeting.
- 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.
- Mr. Jaymin Modi, 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 scrutiner 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 NSDL.



## DIRECTORS' REPORT

To,

The Members,

Your Directors have pleasure in presenting the 11th Annual Report together with audited statement of accounts of the Company for the year ended on 31st March 2018.

### FINANCIAL RESULTS

The financial performance of your Company for the year ended March 31, 2018 is summarized below:-

(Amounts in Lakhs)

Particulars	2017-18	2016-17
Turn Over	13455	10984
Expenses	9567	7912
Earnings before interest and tax	3883	3072
Finance Cost	1971	1827
Depreciation	30	27
<b>Profit Before Tax</b>	<b>18,82</b>	<b>1218</b>
<b>Tax Expenses:</b>		
Current Tax	583	430
Deferred Tax	-2	0
<b>Profit after Tax</b>	<b>13,01</b>	<b>788</b>
Earnings per share (EPS)		
Basic EPS	12.77	7.88
Diluted EPS	12.77	7.88

## 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.

## PRESENTATION OF FINANCIAL STATEMENTS

The financial statements of the Company for the year ended 31st March, 2018 have been disclosed as per Schedule III to the Companies Act, 2013.

## STATE OF COMPANY'S AFFAIRS

### Company 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.

Presently company is an Indian non-Government, Public Limited Company limited by shares.

The company with intention to list its securities on main board of exchanges, issued 43,00,000 equity shares of face value of Rs.10 each (the "equity shares") of (our "company" or "issuer") comprising of a fresh issue of 23,00,000 equity shares and an offer for sale of up to 20,00,000 equity shares by Mr.Naresh Karda (the promoter selling shareholder") through Initial Public offer.

After completion of due procedure, company's securities got listed on NSE and BSE and trading of such securities started w.e.f 2nd April, 2018.

Hence, the company's status has been changed from unlisted to Listed Company.

### 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 with view to capitalise profit with approval of members sought in Extraordinary general meeting held on 24th July, 2017 issued bonus shares in proportion of 1 ( One ) equity share for every 9( Nine ) existing equity share held by the Members.

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.

## **REVIEW OF BUSINESS OPERATIONS**

The company has generated revenues from its principal business activities amounting to Rs. 12,679 Lakhs during the current financial year, as compared to Rs. 10,587 Lakhs during the previous financial year.

Your directors hereby report that the company has earned profit of Rs. 1305 Lakhs for the current financial year, as compared to the profit of Rs. 791 Lakhs in the previous financial year.

## **FUTURE OUTLOOK**

The core business activities of the company are Real Estate Development -Residential Projects and Residential Projects cum office space and Construction Contracts.

Company has registered total 16 projects on MAHARERA site after the implementation of Real Estate (Regulation and Development) Act, 2016.

Company's all Ongoing and Upcoming Projects are concentrated in and around Nashik. Familiarity and experience of markets in and around Nashik will be helpful to expand our business.

After considering present demand in market, we have decided to aim at capturing the market by concentrating more on affordable housing. With this company will try to promote economic and social integration while building community.

The Company launched project Hari Sanskruti Phase II consisting 420 flats under the brand of 'Capsule Homes' during the year.

Company will focus on marketing of such project and making quality homes available for buyers from all income groups.

The company has recently entered into field of Construction work for Government contract. The company has undertaken work of following work of few Government projects as stated below:

- 28 Single Bedroom Flats in Sector -I at Ponda
- Construction of 16 Duplex Bungalows in Sector S at Ponda
- Construction of Market Complex cum Community Centre & Public Health Engineering (PHE) Works for Residential Building at Zuarinagar
- Construction of a 100 bed civil hospital in Nashik With this, company intends to diversify the business by venturing into work of construction contracts.



The company is focusing on the long term growth opportunities that the sector offers. The company concentrates on building long term relationships based on integrity, performance, value and client satisfaction.

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 permitted to be paid to the Members for Fiscal 2017, as per the Companies Act, 2013 ("the Act") and the Rules framed thereunder.

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](http://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	Naresh Jagumal Karda	01741279	Managing Director
2	Disha Naresh Karda	06424475	Director
3	Manohar Jagumal Karda	01808564	Whole time director
4	Shweta Raju Tolani	07575484	Non- Executive Independent Director
5	Rahul Kishor Dayama	07906447	Non- Executive Independent Director
6	Sandeep Ranindra Shah	06402659	Additional Non- Executive Independent Director

During the financial year, Mr. Kishor Karda (DIN: 07763592) and Mr. Rahul Kanayalal Kalani, (DIN: 07763592), appointed as Additional Non – Executive Independent Director submitted their resignations letters from directorship dated 29th June, 2017. The board accepted the same and took the note of the same in the board meeting held on June 30, 2017. Also Mr. Mohanlal Gurnani, Non Executive Independent Director, ceased to be the director of the company w.e.f. February 16, 2018 due to disqualification pursuant to section 164(2)(a) of the Companies Act, 2013.

### **Responsibilities & Functions of Board of Directors**

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

#### **Disclosure of information:**

**A. 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.**

**B. 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**

- a) 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 divestments.
- b) Monitoring the effectiveness of the listed entity's governance practices and making changes as needed.
- c) Selecting, compensating, monitoring and, when necessary, replacing key managerial Personnel and overseeing succession planning.
- d) Aligning key managerial personnel and remuneration of board of directors with the longer term interests of the listed entity and its shareholders.
- e) 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.
- f) 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.
- g) 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.
- h) Overseeing the process of disclosure and communications.
- i) Monitoring and reviewing Board of Director's evaluation framework.

#### **Other responsibilities**

- a) 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.
- b) The Board of Directors shall set a corporate culture and the values by which executives throughout a group shall behave.
- c) 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.
- d) The Board of Directors shall encourage continuing directors training to ensure that the members of Board of Directors are kept up-to-date.



- e) Where decisions of the Board of Directors may affect different shareholder groups differently, the Board of Directors shall treat all shareholders fairly.
- f) The Board of Directors shall maintain high ethical standards and shall take into account the interests of stakeholders.
- g) The Board of Directors shall exercise objective independent judgment on corporate affairs.
- h) 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.
- i) 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.
- j) 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.
- k) 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.
- l) Members of the Board of Directors shall be able to commit themselves effectively to their responsibilities.
- m) In order to fulfill their responsibilities, members of the Board of Directors shall have access to accurate, relevant and timely information.
- n) 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 2017-2018, twenty eight meetings of the Board of Directors were held on the following dates: April 3, 2017; April 17, 2017; April 25, 2017; May 1, 2017; June 10, 2017; June 19, 2017; June 30, 2017; July 7, 2017; July 24, 2017; August 4, 2017; August 28, 2017; August 30, 2018; September 27, 2017; November 28, 2017, December 1, 2017; December 26, 2017; January 5, 2018, January 17, 2018; January 22, 2018; February 1, 2018; February 15, 2018; February 16, 2018; February 17, 2018; March 5, 2018; March 6, 2018; March 22, 2018; March 27, 2018 and March 31, 2018.

Name of Director	Director Identification Number	Director Identification Number	Board Meetings		Whether attended AGM
			Held	Attended	
Naresh Jagumal Karda	01741279	Chairman & Managing Director	28	28	Yes
Manohar Jagumal Karda	01808564	Whole Time Director	28	28	Yes
Disha Naresh	06484475	Director	28	28	Yes
Shweta Raju Tolani	07575484	Non Executive Independent Director	28	24	Yes
Rahul Kishor Dayama	07906447	Non Executive Independent Director	28	5	NA
Sandeep Ravindra Shah	06402659	Additional Non Executive Independent Director	28	5	NA



Notes:

1. Rahul Dayama was appointed as Non Executive Independent Director with effect from August 30th, 2017.

2. Sandeep Shah was appointed as Additional Non Executive Independent Director with effect from February 16, 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 of section 149 (1) of the companies act, 2013 read with rule 3 of the companies (Appointment and Qualification of Directors) rules, 2014, the company is not required to have any woman director on the board, though the company has appointed Mrs. DishaNareshKarda and Mrs. ShwetaRajuTolani 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

Mr. Rahul Kishor Dayma

Mr. Sandeep Ravindra Shah

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 Mr. Manohar Jagumal Karda retires by rotation and being eligible offers himself/herself for appointment.

### **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 placed on the Company's website.

### **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:

- a. Composition of the board
- b. Effectiveness of Board processes, information and functioning
- c. Effectiveness of Internal control
- d. 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, 2018 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 and loss of the Company for the year ended 31st March, 2018.
- 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 there port.
- 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 FY2017-18.

## KEY MANAGERIAL PERSONNEL

The following persons were the KMP as on 31st March, 2018 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	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

### Appointment/ Re-appointment/ Ratification

The members of the company at annual general meeting held on 4th August, 2017, appointed M/s. Shah & Modi, Chartered Accountants, (Firm Registration Number: 112426W), as the auditors of the company till the conclusion of sixth Annual General meeting to be held in year 2023.

Further, during the year, the notice of resignation dated 1st December, 2017 was received from M/s. Shah & Modi, Chartered Accountants, (Firm Registration Number: 112426W).

Hence, M/S JPL & Associates, Chartered Accountants (FRN:132748W) was appointed as statutory auditor in the Extra Ordinary General Meeting held on 26th December, 2017 from the conclusion of the meeting till ensuing Annual General Meeting for carrying the audit for financial year 2017-2018.

The board recommends appointment of M/s JPL & Associates, Chartered Accountants (FRN:132748W) as Statutory Auditors of the company from ensuing Annual General Meeting till the sixth Annual General Meeting of the company.



## 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:

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	31.28	4.69	CIT (Appeals)
2	Income Tax Act, 1961	Demand u/s 143(3)	A Y 2015-16	203.90	29.48	CIT (Appeals)
3	Sales Tax	Sec 26 of MVAT Act	F Y 2012-13	58.46	—	DCST (Appeals)
4	Sales Tax	Sec 26 of MVAT Act	F Y 2012-14	14.03	0.78	DCST (Appeals)

The company is in process of repayment of the dues.

## Reporting of Offences involving fraud

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

## 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 outflows:

Foreign exchange earnings and outgo	(Amounts in Rupees)	
	Current FY	Previous FY
Foreign Exchange Earnings	NIL	NIL
Value of Direct imports	NIL	NIL
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, 2018 for Loans given is Rs. 3517.95 Lakhs and Corporate Gurantees given is Rs. 4216.20 Lakhs.

PARTICULARS	AMOUNT (IN LAKHS)
Loans given	825
Guarantee Given	Nil
Investments made	Nil

## LOANS, GUARANTEE GIVEN AND INVESTMENTS MADE DURING THE FINANCIAL YEAR 2017-18

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
Deepak Builders & Developers	--	200	Loan given	Business purpose
Garden Chemical Works	--	15	Loan given	Business purpose
Keystone Life capes P L	--	410	Loan given	Business purpose
K.P. Developers rs	--	50	Loan given	Business purpose
Silver Cellular	--	150	Loan given	Business purpose

## 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 the future.

## 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.



## 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 the 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 and Remuneration Committee, Stakeholder's Relationship Committee and Corporate Social Responsibility Committee

### Audit Committee

The Audit committee consists of following directors as members:

Sr. No.	Name of the Director	Nature of Directorship	Designation in the Committee
1	Mr. Rahul Dayama	Non Executive Independent Director	Chairman
2	Mrs. Shweta Tolani Non	Executive Independent Director	Member
3	Mr. Naresh Karda	Chairman and Managing Director	Member

During the year the Audit committee was reconstituted on 30th August, 2017 and 19th February, 2018.

### 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.

Sr. No.	Name of the Director	Nature of Directorship	Designation in the Committee
1	Mrs. Shweta Tolani	Non Executive Independent Director	Chair person
2	Mr. Rahul Dayama	Non Executive Independent Director	Member
3	Mr. Sandeep Shah	Non Executive Independent Director (Additional Director)	Member

During the year the Nomination and Remuneration committee was reconstituted on 30th August, 2017 and 19th February, 2018.

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 Annexurel.

## Stakeholders Relationship Committee

Stakeholders' relationship committee constituted under section 178 (5) of the Companies Act, 2013 consists following members:

Sr. No.	Name of the Director	Nature of Directorship	Designation in the Committee
1	Mr. Rahul Dayama	Non Executive Independent Director	Chairman
2	Mrs. Shweta Tolani	Non Executive Independent Director	Member
3	Mrs. Dishakarda	Executive Director	Member

The committee was constituted by the Board of Directors of the company in the meeting held on 30th August, 2017.

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

## 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 2017-18.

## SECRETARIAL AUDITORS

Mr. Alay Vasavada, Practicing Company secretary has been appointed as Secretarial Auditor of the Company in the Board meeting held on 2nd July, 2018.

Secretarial Auditor of the company mentioned following qualifications, reservations in the Secretarial Audit report provided under Section 204 of the Companies Act, 2013:

- Return of Allotment filed by the Company i.e. Form PAS-3 dated 8th August, 2017, list of allottees has not certified by the signatory of the Form PAS-3. Further, occupation's of allottees were also not mentioned in list of allottees

Management has noted the same.

- As per Secretarial Standard – 2, the explanatory statement of Notice of General Meeting should stipulate the age, qualification, experience etc. of the appointee Director however the Company had not given any such details for appointment of the appointee Director of the Company. Further as per Secretarial Standard – 1, the numbers of Board/committee Meetings attended by each Director, Date of Committee Meetings were not mentioned in the Director Report for FY2016-17.

Management tabled a certified copy of the CV before the Board of directors, hence the age, qualification, experience etc. of the appointee Director were not mentioned separately in the Explanatory statement.

The Board has complied the provisions of Secretarial standard-1 in this Director's report.

- It has been observed that the debentures issued by the company had been fully repaid in the month March, 2017 but there in the Annual Return in Form MGT-7 as on 31st March, 2017 is show as NIL outstanding debentures but in the said form it had contained number of debenture holders which was inadvertently mentioned therein.

The board of directors noted the same as there has been a typographical error in the form.

## **COST AUDITORS**

M/s C Y & Associates are appointed as cost auditors of the company for the Financial Year 2018-2019 subject to ratification at the ensuing Annual General meeting of the company.

## **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 IV.

## **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-

During the financial year the Company issued 43,00,000 equity shares of face value of Rs. 10 each (the "equity shares") of (our "company" or "issuer") comprising of a fresh issue of 23,00,000 equity shares and an offer for sale of upto 20,00,000 equity shares\* by Mr. Naresh Karda (the promoter selling shareholder") through Initial Public offer. Company had filed draft prospectus with ROC on 6 th March, 2018-

Further Prospectus was filed with ROC on 24th March, 2018.

The Company received listing and trading approvals from NSE and BSE dated on 28th March, 2018.

Trading of Companies securities listed on NSE and BSE ie Equity shares started w.e.f. 2nd April, 2018 and hence the status of company changed from unlisted to listed company.

Mr. Alay Vasavada, Practicing Company secretary has been appointed as Secretarial Auditor of the Company in the Board meeting held on 2nd July, 2018.

Secretarial Auditor of the company has not mentioned any qualifications, reservations in the Secretarial Audit report provided under Section 204 of the Companies Act, 2013.

M/s C Y & Associates are appointed as cost auditors of the company for the Financial Year 2018-2019 subject to ratification at the ensuing Annual General meeting of the company.

## **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**

**SD/-**  
**NARESHKARDA**  
**MANAGING DIRECTOR**  
**(DIN:01741279)**

**SD/-**  
**MANOHARKARDA**  
**WHOLE TIME DIRECTOR**  
**(DIN: 01808564)**

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

**Date: 23rd August, 2018 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.

#### **(D) 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. 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.
- b. 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.
- c. Retirement benefits – Contribution to Provident Fund and gratuity as per the Company Rules.
- d. 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.
- e. 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.



## ANNEXURE – II

### FORM NO. MGT-9 EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2018

[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	U45400MH2007PLC174194
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 Busines 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 Dynamics (India) Pvt Ltd Unit No 1, Lothar Ind premises, 1st Floor, 44 E, Vसानजेत Marg, Andheri Kurla road , Safed Pool, Andheri East, Mumbai-400072

\*With effect from 2nd April,2018

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 of buildings	41001	100%

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

<b>IV</b>	<b>SHAREHOLDING PATTERN (Equity Share Capital Break-up as percentage of Total Equity)</b>
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Sr. No	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares Held	Applicable Section
NA	NA	NA	NA	NA	NA

**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	N.A.	90,00,000	90,00,000	100%	80,00,000	N.A.	80,00,000	65%	-35%
Central Government	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
State Governments	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Bodies Corporate	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Banks / FI's	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Any Other	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
<b>Sub-Total (A) (1)</b>	N.A.	90,00,000	90,00,000	100%	80,00,000	N.A.	80,00,000	65%	-35%

**(2) Foreign**

NRI's – Individuals	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Others – Individuals	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Bodies Corporate	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Banks / FI's	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Any Other	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
<b>Sub-Total (A) (2)</b>	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
<b>TOTAL SHAREHOLDING OF PROMOTERS (A) = (A)(1) + (A) (2)</b>	N.A.	90,00,000	90,00,000	100%	80,00,000	N.A.	80,00,000	65%	N.A.

**B. PUBLIC SHAREHOLDING****1. Institutions**

Mutual Funds	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Banks / FI's	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Central Government	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
State Governments	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Venture Capital Funds	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Insurance Companies	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
FII's	N.A.	N.A.	N.A.	N.A.	576320	N.A.	576320	4.7%	4.7%
Foreign Venture Capital Funds	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Others (Specify)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
<b>Sub-Total (B) (1)</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>576320</b>	<b>N.A.</b>	<b>576320</b>	<b>4.7%</b>	<b>4.7%</b>

**2. Non Institutions**

Bodies Corporate – Indian	N.A.	N.A.	N.A.	N.A.	179040	N.A.	179040	1.5%	1.5%
Bodies Corporate - Overseas	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Individuals	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Individual Share holders holding nominal share capital up to Rs. 1 Lakh	N.A.	N.A.	N.A.	N.A.	30,56,480	160	30,56,480	24.8%	24.8%
Individual Shareholders holding nominal share capital in excess of Rs. 1 Lakh	N.A.	N.A.	N.A.	N.A.	4,34,560	N.A.	4,34,560	3.5%	3.5%
Others NRI	N.A.	N.A.	N.A.	N.A.	53,600	N.A.	53,600	0.4%	0.4%
Overseas Corporate Bodies					80		80	0%	0%
<b>Sub-Total (B) (2)</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>3723520</b>	<b>160</b>	<b>3723680</b>	<b>30.28%</b>	<b>30.28%</b>



<b>TOTAL PUBLIC SHAREHOLDING (B)=(B)(1) + (B) (2)</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>4299840</b>	<b>160</b>	<b>4300000</b>	<b>35%</b>	<b>35%</b>
<b>C. SHARES HELD BY CUSTODIAN FOR GDR's AND ADR's</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>
<b>GRAND TOTAL (A+B+C)</b>	<b>90,00,000</b>	<b>90,00,000</b>	<b>100%</b>	<b>N.A.</b>	<b>12299840</b>	<b>160</b>	<b>1,23,00,000</b>	<b>100%</b>	<b>N.A.</b>

**(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	68,40,000	76%	0.00%	56,00,000	45.5%	0.00%	-30%
2	Manohar Jagumal Karda	3,33,000	3.7%	0.00%	3,70,000	3%	0.00%	-0.7
3	Prem Jagumal Karda	5,31,000	5.9%	0.00%	5,90,000	4.8%	0.00%	1.1%
4	Laxman Jagumal Karda	4,95,000	5.5%	0.00%	5,50,000	4.5%	0.00%	-1%
5	Karamchand Jagumal Karda	3,06,000	3.4%	0.00%	3,40,000	2.8%	0.00%	-0.6%
6	Disha Naresh Karda	2,25,000	2.5%	0.00%	2,50,000	2%	0.00%	-0.5%
7	Komal Laxman Karda	90,000	1%	0.00%	1,00,000	0%	0.00%	-1%
8	Neha Prem Karda	90,000	1%	0.00%	1,00,000	0%	0.00%	-1%
9	Bharati Manohar Karda	90,000	1%	0.00%	1,00,000	0%	0.00%	-1%
TOTAL		90,00,000	100%	0.00%	80,00,000	65%	0.00%	-35%

## (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
1.	Naresh Jagumal Karda				
	At the beginning of the year	68,40,000	76%	68,40,000	76%
	Increase in shareholding due to following reasons:				
	Shares being allotted as Bonus on 24.07.2017	7,60,000		7,60,000	
	Decrease in shareholding due to following reasons:				
2.	Disha Naresh Karda				
	At the beginning of the year	2,25,000	2.5%	2,25,000	2.5%
	Increase in shareholding due to following reason:				
	Shares being allotted as Bonus on 24.07.2017	25,000		25,000	
	At the end of the year	2,50,000	2%	2,50,000	2%
3.	Manohar Jagumal Karda				
	At the beginning of the year	3,33,000	3.7%	3,33,000	3.7%
	Increase in shareholding due to following reason:				
	Shares being allotted as Bonus on 24.07.2017	37,000		37,000	
	At the end of the year	3,70,000	3%	3,70,000	3%
4.	Prem Jagumal Karda				
	At the beginning of the year	5,31,000	5.9%	5,31,000	5.9%
	Increase in shareholding due to following reason:				
	Shares being allotted as Bonus on 24.07.2017	59,000		59,000	
	At the end of the year	5,90,000	4.8%	5,90,000	4.8%
5.	Laxman Jagumal Karda				
	At the beginning of the year	4,95,000	5.5%	4,95,000	5.5%
	Increase in shareholding due to following reason:				
	Shares being allotted as Bonus on 24.07.2017	55,000		55,000	
	At the end of the year	5,50,000	4.5. %	5,50,000	4.5. %
6.	Karamchand Jagumal Karda				
	At the beginning of the year	3,06,000	3.4%	3,06,000	3.4%
	Increase in shareholding due to following reason:				

	Shares being allotted as Bonus on 24.07.2017	34,000		34,000	
	At the end of the year	3,40,000	2.8%	3,40,000	2.8%
7.	<b>Komal Laxman Karda</b>				
	At the beginning of the year	90,000	1%	90,000	1%
	Increase in shareholding due to following reason:				
	Shares being allotted as Bonus on 24.07.2017	10,000		10,000	
	At the end of the year	1,00,000	0%	1,00,000	0%
8.	<b>Neha Prem Karda</b>				
	At the beginning of the year	90,000	1%	90,000	1%
	Increase in shareholding due to following reason:				
	Shares being allotted as Bonus on 11.07.2016	10,000		10,000	
	At the end of the year	1,00,000	0%	1,00,000	0%
9.	<b>Bharati Manohar Karda</b>				
	At the beginning of the year	90,000	1%	90,000	1%
	Increase in shareholding due to following reason:				
	Shares being allotted as Bonus on 11.07.2016	10,000		10,000	
	At the end of the year	1,00,000	0%	1,00,000	0%

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

Sr. No.	For each of the top 10 shareholders	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.	<b>Silver Stallion Limited</b>				
	At the beginning of the year	0	0%	0	0%
	Increase in shareholding due to following reason:				
	Shares being allotted as on 27.03.2018 against the subscribed shares through Initial public offer of the company	3,88,960	3.16%	3,88,960	3.16%
	At the end of the year	3,88,960	3.16%	3,88,960	3.16%
2.	<b>Capston Capital Partners</b>				
	At the beginning of the year	0	0%	0	0%
	Increase in shareholding due to following reason:				
	Shares being allotted as on 27.03.2018 against the subscribed shares through Initial public offer of the company	1,87,360	1.52%	1,87,360	1.52%
	At the end of the year	1,87,360	1.52%	1,87,360	1.52%
3.	<b>Total Securities Limited</b>				
	At the beginning of the year	0	0%	0	0%



	Increase in shareholding due to following reason:  Shares being allotted as on 27.03.2018 against the subscribed shares through Initial public offer of the company	1,11,004	0.90%	1,11,004	0.90%
	At the end of the year	1,11,004	0.90%	1,11,004	0.90%
4.	<b>Manoj H Mehta (HUF)</b>				
	At the beginning of the year	0	0%	0	0%
	Increase in shareholding due to following reason:  Shares being allotted as on 27.03.2018 against the subscribed shares through Initial public offer of the company	83,200	0.68%	83,200	0.68%
	At the end of the year	83,200	0.68%	83,200	0.68%
5.	<b>Maharajakrishna Bansilal Birmani</b>				
	At the beginning of the year	0	0%	0	0%
	Increase in shareholding due to following reason:  Shares being allotted as on 27.03.2018 against the subscribed shares through Initial public offer of the company	70,000	0.57%	70,000	0.57%
	At the end of the year	70,000	0.57%	70,000	0.57%
6.	<b>Kajal Vaibhav Pandya</b>				
	At the beginning of the year	0	0%	0	0%
	Increase in shareholding due to following reason:  Shares being allotted as on 27.03.2018 against the subscribed shares through Initial public offer of the company	69,440	0.56%	69,440	0.56%
	At the end of the year	69,440	0.56%	69,444	0.56%
7.	<b>Ram Ballabh Katta</b>				
	At the beginning of the year	0	0%	0	0%
	Increase in shareholding due to following reason:  Shares being allotted as on 27.03.2018 against the subscribed shares through Initial public offer of the company	55,600	0.45%	55,600	0.45%
	At the end of the year	55,600	0.45%	55,600	0.45%
8.	<b>Mahabir Tradeventures LLP</b>				
	At the beginning of the	0	0%	0	0%

	Increase in shareholding due to following reason:				
	Shares being allotted as on 27.03.2018 against the subscribed shares through Initial public offer of the company	50,000	0.41%	50,000	0.41%
	At the end of the year	50,000	0.41%	50,000	0.41%
9.	<b>Shyam Sunder Somani</b>				
	At the beginning of the year	0	0%	0	0%
	Increase in shareholding due to following reason:				
	Shares being allotted as on 27.03.2018 against the subscribed shares through Initial public offer of the company	44,400	0.36%	44,400	0.36%
	At the end of the year	44,400	0.36%	44,400	0.36%
10.	<b>Indresh Waghjibhai Shah</b>				
	At the beginning of the year	0	0%	0	0%
	Increase in shareholding due to following reason:				
	Shares being allotted as on 27.03.2018 against the subscribed shares through Initial public offer of the company	35,200	0.29%	35,200	0.29%
	At the end of the year	35,200	0.29%	35,200	0.29%

(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.	<b>Naresh Jagumal Karda (Managing Director)</b>				
	At the beginning of the year	68,40,000	76%	68,40,000	76%
	Increase in shareholding due to following reasons:				
	Shares being allotted as Bonus on 24.07.2017	7,60,000		7,60,000	
	Decrease in shareholding due to following reasons:				
	Shares being offered to public through Initial Public offer	20,00,00		20,00,00	

	At the end of the year	56,00,00	45.5%	56,00,00	45.5%
2.	<b>Manohar Jagumal Karda (Whole Time Director)</b>				
	At the beginning of the year	3,33,000	3.7%	3,33,000	3.7%
	Increase in shareholding due to following reason: Shares being allotted as Bonus on 24.07.2017	37,000		37,000	
	At the end of the year	3,70,000	3%	3,70,000	3%
3.	<b>Disha Naresh Karda (Executive Director)</b>				
	At the beginning of the year	2,25,000	2.5%	2,25,000	2.5%
	Increase in shareholding due to following reason: Shares being allotted as Bonus on 24.07.2017	25,000		25,000	
	At the end of the year	2,50,000	2%	2,50,000	2%
4.	<b>Shweta Raju Tolani (Non Executive Independent Director)</b>				
	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.	<b>Rahul Kishor Dayama (Non Executive Independent Director)</b>				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase / Decrease in Share holding during the year specifying	NA	NA	NA	NA



	the reasons for increase / decrease (e.g. allotment / transfer /bonus/ sweat equity etc)				
	At the end of the year	NIL	NIL	NIL	NIL
6.	<b>Sandeep Ravindra Shah (Additional Non Executive Independent Director)</b>				
	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)	NIL	NIL	NIL	NIL
	At the end of the year	NIL	NIL	NIL	NIL
7.	<b>Anil Nahata (CFO)</b>				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Increase in shareholding due to following reason:  Shares being allotted as Bonus on 11.07.2016	NIL	NIL	NIL	NIL
	At the end of the year	NIL	NIL	NIL	NIL
8.	<b>Mayura Dinesh Marathe (Company Secretary)</b>				
	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)	NIL	NIL	NIL	NIL
	At the end of the year	NIL	NIL	NIL	NIL

<b>V</b>	<b>INDEBTEDNESS</b>
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Indebtedness of the Company including interest outstanding / accrued but not due for payment  
(Amounts in Lakhs)

	Secured Loans	Unsecured	Deposits	Total
	excluding deposits	Loans		Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	12,367.21	702.43	NIL	13069.64
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
<b>TOTAL (i + ii + iii)</b>	<b>12,367.21</b>	<b>702.43</b>	<b>NIL</b>	<b>13069.64</b>
Change in Indebtedness during the Financial Year				
• Addition	10,476.40	4,618.58	NIL	15,094.98
• Reduction	10,550.71	4,927.89	NIL	15,478.60
<b>NET CHANGE</b>	<b>-74.31</b>	<b>309.31</b>	<b>NIL</b>	<b>383.62</b>
Indebtedness at the end of the Financial Year				
i) Principal Amount	12,276.41	393.12	NIL	12,669.53
ii) Interest due but not paid	16.49	-	NIL	16.49
iii) Interest accrued but not due	-	-	NIL	-
<b>TOTAL (i + ii + iii)</b>	<b>12,292.91</b>	<b>393.12</b>	<b>NIL</b>	<b>12686.02</b>

<b>VI</b>	<b>REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL</b>
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**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 - as % of Profit - Others, specify	NIL NIL NIL	NIL
5.	Others, please specify	NIL	NIL
<b>TOTAL (A)</b>		<b>12.00</b>	<b>12.00</b>
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 - as % of Profit - Others, specify	NIL NIL NIL	NIL
5.	Others, please specify	NIL	NIL
<b>TOTAL (A)</b>		<b>12.00</b>	<b>12.00</b>
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 - as % of Profit - Others, specify	NIL NIL NIL	NIL
5.	Others, please specify	NIL	NIL
<b>TOTAL (A)</b>		<b>12.00</b>	<b>12.00</b>
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	*Kishor Karda	*Rahul Kalani	*Mohanlal Gurnani	Rahul Dayama	Sandeep Shah	
	• Fees for attending board committee meetings	1.33	0.08	0.06	0.28	0.28	0.21	2.24
	• Commission	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	• Others, specify	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
<b>TOTAL (1)</b>		<b>1.33</b>	<b>0.08</b>	<b>0.06</b>	<b>0.28</b>	<b>0.28</b>	<b>0.21</b>	<b>2.24</b>
2.	Other Non-Executive Directors	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	• Fees for attending board committee meetings	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	• Commission	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	• Others, specify	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
<b>TOTAL (2)</b>		<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>
<b>TOTAL (B) = (1) + (2)</b>		<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>
<b>TOTAL MANAGERIAL REMUNERATION</b>		<b>1.33</b>	<b>0.08</b>	<b>0.06</b>	<b>0.28</b>	<b>0.28</b>	<b>0.21</b>	<b>2.24</b>
<b>OVERALL CEILING AS PER THE ACT</b>		Not applicable as only sitting fees paid						

\*Both Additional Non Independent Directors, Mr. Kishor Karda and Mr. Rahul Kalani resigned on June 29, 2017.

Mr. Mohanlal Gurnani ceased to be director of the company due to disqualification pursuant to section 164(2)(a) of the Companies Act, 2013 wef February 16, 2018.

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 (Laxman Karda) (From 1.4.2017 to 30.6.2017)	*CFO (Anil Nahata) (From 1.7.2017 to 31.3.2018)	TOTAL
1.	Gross Salary	N.A.	3.00	- 0.60	3.00	6.60
	(a) Salary as per provisions contained in Section 17 (1) of the Income Tax Act, 1961	N.A.	N.A.	N.A.	N.A.	N.A.
	(b) Value of perquisites u/s 17 (2) Income Tax Act, 1961	N.A.	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.	N.A.
2.	Stock Option	N.A.	N.A.	N.A.	N.A.	N.A.
3.	Sweat Equity	N.A.	N.A.	N.A.	N.A.	N.A.
4.	Commission - as % of Profit - Others, specify	N.A.	N.A.	N.A.	N.A.	N.A.
5.	Others, please specify	N.A.	N.A.	N.A.	N.A.	N.A.
TOTAL		N.A.	3.00	0.60	3.00	6.60

Mr. Laxman Karda resigned from position of Chief Financial Officer w.e.f. 30<sup>th</sup> June, 2017.

Mr. Anil Nahata was appointed as Chief Financial Officer of the company w.e.f. 30<sup>th</sup> June, 2017.

VII	PENALTIES / PUNISHMENTS / COMPOUNDING OF OFFENCES
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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)
<b>A. COMPANY</b>					
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>B. DIRECTORS</b>					
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>C. OTHER OFFICERS IN DEFAULT</b>					
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

**SD/-**  
**NARESH KARDA**  
MANAGING DIRECTOR  
(DIN: 01741279)

**SD/-**  
**MANOHAR KARDA**  
WHOLE TIME DIRECTOR  
(DIN: 01808564)

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

Date: 23<sup>rd</sup> August, 2018

Place: Nashik



ANNUAL REPORT 2017-2018

## ANNEXURE III

### Reporting of Corporate Social Responsibility (CSR)

1. Period for which CSR is being reported-

From 1.04.2017 to 31.03.2018

2. Whether information includes information about subsidiary company- No

If yes, 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](http://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. 8,72,65,110/-

7. Prescribed CSR Expenditure - The prescribed CSR expenditure as per section 135 is Rs. 17,45,302/-.

8. Details of CSR spent during the financial year

- a. Total amount to be spent for the financial year- Rs. 17,45,302/-

Total amount to be spent by the company is Rs. 17,72,410/-

- b. Amount unspent, if any The amount unspent by the company is NIL.

- c. 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. 10,00,000/-	Rs.15,72,629/-	Rs. 15,72,629/-	Directly
2	Promoting Education	Promoting Education among children and Women	Nashik City	Rs. 10,00,000/-	Rs.1,99,781/-	Rs. 1,99,781/-	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- NA
10. 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 dedare 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

**SD/-**  
**NARESH KARDA**  
MANAGING DIRECTOR  
(DIN: 01741279)

**SD/-**  
**MANOHAR KARDA**  
WHOLE TIME DIRECTOR  
(DIN: 01808564)

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

Date: 23<sup>rd</sup> August, 2018

Place: Nashik



## ANNEXRUE IV

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	Drishti Ceramics
	b.	Nature of contracts/arrangements/transactions	Purchase of raw material
	c.	Duration of the contracts / arrangements/transactions	Ongoing basis
	d.	Salient terms of the contracts or arrangements or transactions including the value, if any	Up to Rs. 60,00,000/-
	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
B.	a.	Name(s) of the related party and nature of relationship	Prem Karda Brother of Naresh Karda, Managing Director of the Company and Manohar Karda , Whole time director
	b.	Nature of contracts/arrangements/transactions	Salary paid
	c.	Duration of the contracts / arrangements/transactions	Ongoing basis
	d.	Salient terms of the contracts or arrangements or transactions including the value, if any	Up to Rs. 12,00,000/-
	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

C.	a.	Name(s) of the related party and nature of relationship	Mr. Naresh Karda Chairman and Managing Director of the company
	b.	Nature of contracts/arrangements/transactions	Rent Paid
	c.	Duration of the contracts / arrangements/transactions	Ongoing basis
	d.	Salient terms of the contracts or arrangements or transactions including the value, if any	Up to Rs. 6,00,000/-
	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

D.	a.	Name(s) of the related party and nature of relationship	Mr. Karamchand Karda, Brother of Naresh Karda and Manohar Karda
	b.	Nature of contracts/arrangements/transactions	Rent paid
	c.	Duration of the contracts / arrangements/transactions	Ongoing basis
	d.	Salient terms of the contracts or arrangements or transactions including the value, if any	Up to Rs. 6,00,000/-
	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

E.	a.	Name(s) of the related party and nature of relationship	Mrs. Disha Karda, Relative of Naresh Karda.
	b.	Nature of contracts/arrangements/transactions	Rent paid
	c.	Duration of the contracts / arrangements/transactions	Ongoing basis
	d.	Salient terms of the contracts or arrangements or transactions including the value, if any	Up to Rs. 6,00,000/-
	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

F.	a.	Name(s) of the related party and nature of relationship	Devesh Infrastructures
	b.	Nature of contracts/arrangements/transactions	Labour Charges
	c.	Duration of the contracts / arrangements/transactions	Ongoing basis
	d.	Salient terms of the contracts or arrangements or transactions including the value, if any	Up to Rs. 6,00,000/-
	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

**SD/-**

**NARESH KARDA**

MANAGING DIRECTOR

(DIN: 01741279)

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

**SD/-**

**MANOHAR KARDA**

WHOLE TIME DIRECTOR

(DIN: 01808564)

Date: 23rd August,2018

Place: Nashik



## ANNEXURE V

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 Personnel) 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 Executive Officer, Chief Financial Officer and Company Secretary in the Fiscal 2017:

Sr. No.	Names of Directors	Designation	Remuneration (in lakhs)	Ratio of Directors remuneration	% increase in the remuneration
1	Naresh Jagumal Karda	Managing Director	12	6315.79	NA
2	Disha Naresh Karda	Director	12	6315.79	NA
3	Manohar Jagumal Karda	Whole time Director	12	6315.79	NA
4	Shweta Raju Tolani	Non – Executive Independent Director	1.33	700	100
5	Rahul Kishor Dayama	Non – Executive Director	0.28	147.37	100
6	Sandeep Ravindra Shah	Additional Non – Executive Independent Director	0.21	110.53	100

B. The number of permanent employees on the rolls of Company as at March 31, 2018: 65

The Median Remuneration of employees for the Fiscal year 2018 is Rs. 0.19Lakhs

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 2017 (in %)
All permanent employees	65
Executive Directors/Managerial Remuneration	
Naresh Jagumal Karda	NA
Manohar Jagumal Karda	NA
Disha Naresh Karda	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

**SD/-**  
NARESH KARDA  
MANAGING DIRECTOR  
(DIN: 01741279)

**SD/-**  
MANOHAR KARDA  
WHOLE TIME DIRECTOR  
(DIN: 01808564)

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

Date: 23<sup>rd</sup> August, 2018  
Place: Nashik

# 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 2017-18 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 mandated 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](http://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	Naresh Jagumal Karda	01741279	Managing Director
2	Disha Naresh Karda	06424475	Director
3	Manohar Jagumal Karda	01808564	Whole time director
4	Shweta Raju Tolani	07575484	Non- Executive Independent Director
5	Rahul Kishor Dayama	07906447	Non- Executive Independent Director
6	Sandeep Ranindra Shah	06402659	Additional Non- Executive Independent Director

### 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 Senior Management.

### 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's website.

### 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 of information:**

- (1) 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.
- (2) 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.

#### **(ii) Key functions of the Board of Directors-**

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 and investments.
2. Monitoring the effectiveness of the listed entity's governance practices and making changes as needed.
3. Selecting, compensating, monitoring and, when necessary, replacing key managerial Personnel and overseeing succession planning.
4. Aligning key managerial personnel and remuneration of board of directors with the longer term interests of the listed entity and its shareholders.
5. 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.
6. 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.
7. 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.
8. Overseeing the process of disclosure and communications
9. Monitoring and reviewing Board of Director's evaluation framework.



**(iii) Other responsibilities:**

1. 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.
2. The Board of Directors shall set a corporate culture and the values by which executives throughout a group shall behave.
3. 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.
4. The Board of Directors shall encourage continuing directors training to ensure that the members of Board of Directors are kept up to date.
5. Where decisions of the Board of Directors may affect different shareholder groups differently, the Board of Directors shall treat all shareholders fairly.
6. The Board of Directors shall maintain high ethical standards and shall take into account the interests of stakeholders.
7. The Board of Directors shall exercise objective independent judgment on corporate affairs.
8. 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.
9. 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.
11. 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.
12. 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.
13. Members of the Board of Directors shall be able to commit themselves effectively to their responsibilities.
14. In order to fulfill their responsibilities, members of the Board of Directors shall have access to accurate, relevant and timely information.
15. 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](http://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](http://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 website.

## MEETINGS OF THE BOARD OF DIRECTOR

During FY 2017-2018, twenty eight meetings of the Board of Directors were held on the following dates:

April 3,2017; April 17,2017; April 25,2017; May1,2017; June 10,2017;June 19,2017;June 30,2017;July 7,2017;July 24, 2017;August 4,2017; August 28,2017; August 30,2018; September 27,2017; November 28,2017,December 1,2017; December 26,2017; January 5,2018, January 17,2018; January 22,2018; February 1,2018;February 15,2018; February 16,2018; February 17,2018; March 5,2018; March 6,2018;March 22,2018;March 27,2018 and March 31,2018.

Name of Director	Director Identification Number	Category	Board Meetings		Whether present at previous +-AGM held on August 29, 2017
			Held	Attended	
NareshJagumalKarda	01741279	Chairman & Managing Director	28	28	Yes
ManoharJagumalKarda	01808564	Whole Time Director	28	28	Yes
DishaNareshKarda	06484475	Director	28	28	Yes
ShwetaRajuTolani	07575484	Non Executive Independent Director	28	24	Yes
Rahul KishorDayama	07906447	Non Executive Independent Director	28	5	NA
SandeepRavindra Shah	06402659	Additional Non Executive Independent Director	28	5	NA

Notes:

Rahul Dayama was appointed as Non Executive Independent Director with effect from August 30th, 2017.  
Sandeep Shah was appointed as Additional Non Executive Independent Director with effect from February 16, 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.

#### 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.

Audit Committee:

The Audit committee consists of following directors as members:

Sr. No.	Name of the director	Nature of directorship	Designation in the committee
1	Mr. Rahul Dayama	Non executive independent director	Chairman
2	Mrs. Shweta Tolani	Non executive independent director	Member
3	Mr. Naresh Karda	Chairman and managing director	Member

During the year the Audit committee was reconstituted on 30th August, 2017 and 19th February, 2018.

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.



Sr. No.	Name of the director	Nature of directorship	Designation in the committee
1	Mrs. ShwetaTolani	Non Executive Independent Director	Chairperson
2	Mr. Rahul Dayama	Non Executive Independent Director	Member
3	Mr. Sandeep Shah	Non Executive Independent Director (Additional Director)	Member

During the year the Nomination and Remuneration committee was reconstituted on 30th August, 2017 and 19th February, 2018

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.

#### Stakeholders Relationship Committee

Stakeholders relationship committee constituted under section 178 (5) of the Companies Act, 2013 consists following members:

Sr. No.	Name of the director	Nature of directorship	Designation in the committee
1	Mr. Rahul Dayama	Non Executive Independent Director	Chairman
2	Mrs. ShwetaTolani	Non Executive Independent Director	Member
3	Mrs. DishaKarda	Executive Director	Member

The committee was constituted by the Board of Directors of the company in the meeting held on 30th August, 2017.

#### 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	Wednesday, 30th September, 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	Tuesday, 29th August, 2017 at 04.00 P.M	2nd Floor, Gulmohar Status, above business Bank, Samarth nagar, Nashik- 422005	<ul style="list-style-type: none"> <li>• Authorisation for issue of shares through public issue</li> <li>• Adoption of new set of Articles of Association of the Company</li> </ul>

## EXTRA- ORDINARY GENERAL MEETINGS

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

Financial Year	Date	Venue	Special Resolutions passed
2014-2015	Thursday, 24th July, 2014, At 11.00 A.M.	8, Saikripa Complex, Behind Jairam Hospital, Nashik Road, Nashik- 422101	NA
	Saturday, 4th September, 2014 at 11.00 A.M	Shop no. Ug 109, Dreams Mall, Lbs Marg, Kanjur, Bhandup (W), Kurla, Mumbai -400078 At 11.00 A.M.	Issue of secured non convertible redeemable debentures
2015-2016	Saturday, 4th April, 2015, at 11.00 A.M.	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 at 10.00 A.M.	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 at 10.00 A.M.	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 at 10.00 A.M.	Shop No. Ug 109, Dreams - The Mall, Lbs Marg, Kanjur, Bhandup (W), Kurla- 400078	NA
	Monday, 27th of June, 2016 at 11.00 A.M.	Shop No. Ug 109, Dreams - The Mall, Lbs Marg, Kanjur, Bhandup (W), Kurla- 400078	<ul style="list-style-type: none"> <li>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)</li> <li>Issue bonus shares</li> </ul>
	Monday, 26th o December, 2016 at 11.00 A.M.	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 At 11.00 A.M.	Shop No. Ug 109, Dreams - The Mall, Lbs Marg, Bhandup (W), Mumbai - 400078.	NA

## 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.

## 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.

## ISIN NO

The Company's Demat International Security Identification Number (ISIN) for its equity shares in CDSL and NSDL is INE278R01018.

## SHAREHOLDING PATTERN

Sr. Nos.	Category	As on 31stMarch, 2017		As on 31stMarch, 2018	
		No. of Shares held	% of Shareholding	No. of Shares held	% of Shareholding
A	Promoters	-	-	-	-
1.	Individuals/HUF	90,00,000	100%	80,00,000	65%
	Bodies Corporate	NIL	NIL	NIL	NIL
	Any Others(Specify)	NIL	NIL	NIL	NIL
	TOTAL (A)	90,00,000	100%	80,00,000	65%
B	Public Shareholding	-	-	-	-
1.	Institutions	NIL	NIL	NIL	NIL
	Foreign Institutional Investors	NIL	NIL	5,76,320	4.69%
2.	Non-Institutions	NIL	NIL	NIL	NIL
	Bodies Corporate	NIL	NIL	NIL	NIL
(a)	Individual Shareholders holding up to Rs.2 Lac	NIL	NIL	29,12,080	23.68%
(b)	Individual Shareholders holding above Rs.2 Lac	NIL	NIL	2,74,640	2.23%
	NRIs / HUF's / Clearing Members/Bodies corporate	NIL	NIL	5,36,960	4.37%
	TOTAL (B)	NIL	NIL	43,00,000	100%
	TOTAL (A+B)	90,00,000	100	123,00,000	100

**ADDRESS FOR CORRESPONDENCE  
KARDA CONSTRUCTIONS LIMITED**

2nd Floor, Gulmohar Status above Business Bank, Samarth Nagar, Nashik -422005(Maharashtra)  
Email ID: admin@kardaconstruction.com

**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.

**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-

During the financial year the Company issued 43,00,000 equity shares of face value of Rs. 10 each (the "equity shares") of (our "company" or "issuer") comprising of a fresh issue of 23,00,000 equity shares and an offer for sale of upto 20,00,000 equity shares\* by Mr.NareshKarda (the promoter selling shareholder") through Initial Public offer. Company had filed draft prospectus with ROC on 6th March,2018

Further Prospectus was filed with ROC on 24th March,2018.

The Company received listing and trading approvals from NSE and BSE dated on 28th March,2018.

Trading of Companies securities listed on NSE and BSE ie Equity shares started w.e.f. 2nd April,2018. And hence the status of company changed from unlisted to listed company.

Mr. Alay Vasavada, Practicing Company secretary has been appointed as Secretarial Auditor of the Company in the Board meeting held on 2nd July, 2018.

Secretarial Auditor of the company has not mentioned any qualifications, reservations in the Secretarial Audit report provided under Section 204 of the Companies Act,2013.

M/s C Y & Associates are appointed as cost auditors of the company for the Financial Year 2018-2019 subject to ratification at the ensuing Annual General meeting of the company.

BY ORDER OF THE BOARD  
FOR KARDA CONSTRUCTION LIMITED

**SD/-**  
**NARESH KARDA**  
MANAGING DIRECTOR  
(DIN: 01741279)

**SD/-**  
**MANOHAR KARDA**  
WHOLE TIME DIRECTOR  
(DIN: 01808564)

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

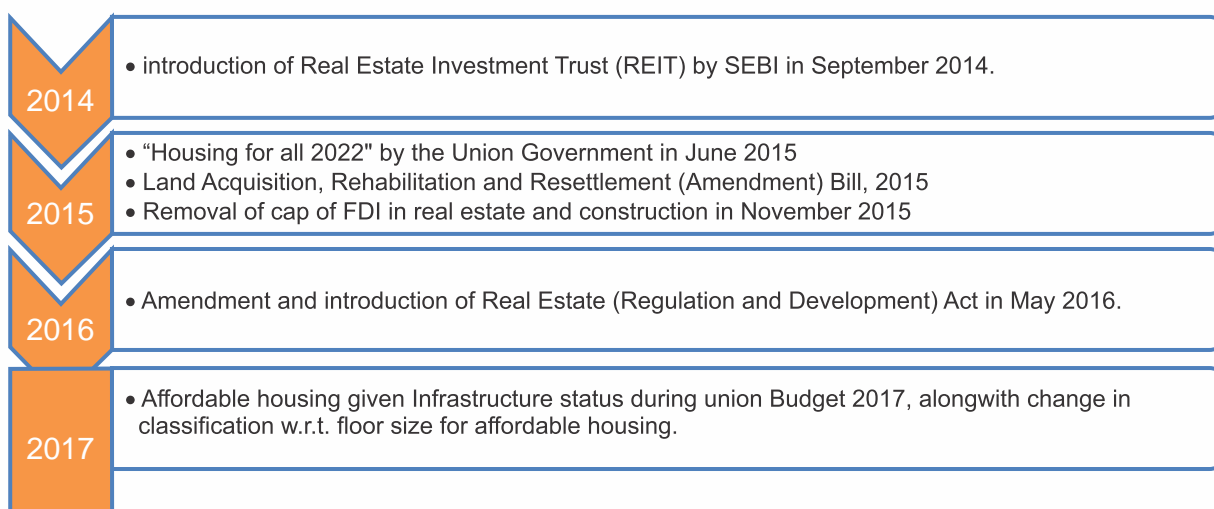


## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### INDUSTRY OVERVIEW

Real Estate as a sector is the second largest employer, after agriculture and constitutes almost 6% of our GDP. In India, urbanization is the biggest growth driver for real estate, which is fueled by growth in business environment in the country and it is estimated that around 10-12 million people getting urbanized annually. Further, the government is backing the sector with several initiatives like a push to develop 100 cities into smart cities, initiatives like “Housing for all by 2022” for a growing population in both urban as well a rural India backed by both financial and regulatory support for the buyers and developers. In a falling interest rate scenario with the GDP of the country growing at the fastest pace among the major economies and an easy business environment which is being pushed by the government to bolster the “Make in India” initiative, the demand for assets across the sector may see gradual revival in the next 1-3years.

### REGULATORY CHANGES AND POLICY INITIATIVES FOR THE INDUSTRY



### BUSINESS OVERVIEW

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. NareshKarda 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.

Our Company, Karda Constructions Limited was incorporated in 2007 with a view to corporatize the group’s activities in the real estate sector. Our Company is focused on quality and affordable developments. We believe we have an established brand and reputation, and a track record of developing innovative projects through our emphasis on contemporary architecture, strong project execution and quality construction in the real estate industry, for which our Company had received “Mega Builder of the Year” award of Divya Marathi in June 2013. Further our Promoter, Mr. NareshKarda had also been awarded as “Business Icon of Nashik” by Lokmat in December 2014.

Our Company has contributed significantly towards the development of Nashik and has so far successfully completed and delivered significant amount of real estate as shown below:

Project Type	Carpet Area (in sq. ft.)	No. of Projects	No. of Units
Residential	8,57,417	12	834 flats
Residential-cum- Office Space	1,93,108	5	210 flats & 63 Shops
Total	10,50,525	17	1,107 units



## INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has in place adequate system of Internal control. It has documented procedures covering all financials and operating functions. These controls have been designated to provide a reasonable assurance with regard to maintaining of proper accounting controls, monitoring of operations, protecting assets from unauthorized use or losses compliances with regulations and for ensuring reliability of financial reporting. The company has continued its efforts to align all its processes and controls with global best practices in these areas as well.

## HUMAN RESOURCES & INDUSTRIAL RELATIONS

The Company's Human Resources philosophy is to establish and build a strong performance and competency driven culture with greater sense of accountability and responsibility. The company has taken pragmatic steps for strengthening organizational competency through involvement and development of employees as well as installing effective systems for improving the productivity, equality and accountability at functional levels. With changing and turbulent business scenario, company's basic focus is to upgrade the skills and knowledge level of the existing human assets to the required level by providing appropriate leadership at all levels. Motivating them to face the hard facts of business, inculcating the attitude for speed of action and taking responsibilities. In order to keep the employees at all levels. The efforts to rationalize and stream the workforce is continuous process. The industrial relations scenario remained harmonious throughout the year.

## RISK AND CONCERNS

It is essential to correctly assess the risk in each segment so that the risk is mitigated before it becomes a possible threat. General risk segments are statutory compliance, economy, financials, Government policies, market related, operational, products and technology etc. The Management has a rapid review of likely risk areas with the objective to define a framework for identification, evaluation and mitigating the risk in the decision making process and to encourage proactive management and not reactive management.

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018**  
**[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 referred as "the Company"). The 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, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes 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, 2018 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under –(to the extent applicable);
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws Framed there under;
- iv. Foreign Exchange Management Act, 1999 and rules and regulations made thereunder to the extent to Foreign Director Investment, Overseas Direct Investor and External commercial borrowing;

I. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

**Not Applicable;**

- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 – **Not Applicable;**

- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Not Applicable**;
- d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client. **Not Applicable**;
- e. The Securities And Exchange Board Of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 – **Not Applicable**;
- ii. The Management has identified and confirmed the following laws as specifically applicable to the Company:
  - a. Payment of Wages Act, 1956;
  - b. Industrial Disputes Act, 1948;
  - c. Employees' Compensation Act, 1923;
  - d. Equal Remuneration Act, 1976;
  - e. The Minimum Wages Act, 1948;
  - f. Maternity Benefit Act, 1961, as amended;
  - g. Payments of Bonus Act, 1965;
  - h. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 except reporting requirement stipulated under Section 21 & 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
  - i. The Payment of Wages Act, 1936;
  - j. Child Labour (Prohibition and Regulation) Act, 1986;
  - k. Employees Provident Fund and Miscellaneous Provisions Act, 1952;
  - l. The Employees State Insurance Act, 1948;
  - m. Payment of Gratuity Act, 1972;
  - n. Trade Union Act, 1926;
  - a. The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996;
  - b. Contract Labour (Regulation and Abolition) Act, 1970;
  - c. Goa, Daman and Diu Shops and Establishments Act, 1973 except obtaining the approval of Registration Certificate of Establishment under the Goa, Daman and Diu for the Company's office situated at House No. R-6, Sai Residency, Near Amrai Housing Society, Curti, Ponda, Goa;
  - d. Real Estate (Regulation and Development) Act, 2016 except obtaining the renewal to the certificate of Registration under Real Estate (Regulation and Development) Act, 2016 bearing Registration Number P51600000228 issued by the Authorised Officer, Maharashtra Real Estate Regulatory Authority for the project Hari Naman.



I have also examined the compliance with the applicable clause of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned except specified under:-

- a. Return of Allotment filed by the Company i.e. Form PAS-3 dated 8<sup>th</sup> August, 2017, list of allottees has not certified by the signatory of the Form PAS-3. Further, occupation's of allottees were also not mentioned in list of allottees;
- b. As per Secretarial Standard – 2, the explanatory statement of Notice of General Meeting should stipulate the age, qualification, experience etc. of the appointee Director however the Company had not given any such details for appointment of the appointee Director of the Company. Further as per Secretarial Standard – 1, the number of Board/ committee Meetings attended by each Director, Date of Committee Meetings were not mentioned in the Director Report for FY 2016-17.

It has been observed that the debentures issued by the company had been fully repaid in the month March, 2017 but there in the Annual Return in Form MGT-7 as on 31<sup>st</sup> March, 2017 is show as NIL outstanding debentures but in the said form it had contained number of debenture holders which was inadvertently mentioned therein

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 period under review were carried out in compliance with the provisions of the Act except as mentioned above. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists 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 there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period there were are no specific events/actions having a major bearing on Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc; however during the period under year the Company had filed Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus with necessary authority(ies) for the Initial Public Offer(IPO) of the Company, in the nature of fresh issue and offer for sale) and had received the listing approval from BSE Limited and National Stock Exchange of India Limited.

Date: 28<sup>th</sup> May, 2018

**Alay Vasavada**  
Practicing Company Secretary  
M. No. A42810  
CP No. 15919

This Report is to be read with our 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 along with this letter.

- a. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit;
- b. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion;
- c. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company and Where ever required, I have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
- d. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis;
- e. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Date: 23<sup>rd</sup> August, 2018

SD/-  
**Alay Vasavada**  
Practicing Company Secretary  
M. No. A42810  
CPNo. 15919

## 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<sup>st</sup> March, 2018 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, 2018 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.

**SD/-**  
**NARESH J KARDA**  
MANAGING DIRECTOR  
DIN: 01741279

**SD/-**  
**ANIL NAHATA**  
CHIEF FINANCIAL OFFICER

Date: 23<sup>rd</sup> August, 2018  
Place: Nashik

# INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

## TO THE MEMBERS OF KARDA CONSTRUCTIONS LIMITED

1. This certificate is issued in accordance with the terms of our engagement letter dated 01<sup>st</sup> December 2017.
2. We, J P L and Associates, Chartered Accountants, the Statutory Auditors of Karda Constructions Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2018, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

### Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

### Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India ("the ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31 March 2018.
9. We 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.

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

SD/-  
**CA. Vipul Lathi**  
Partner  
Membership No: 134897

Place : Nashik  
Date: 23 August, 2018



## INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
Karda Constructions Limited

### Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Karda Constructions Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Ind AS Financial Statement

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.

### Auditors' Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by 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 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

## Other Matter

The Financial statement includes the Company's Share of profit (net) Rs. 199.08 lakhs for the year ended 31 March 2018, from its investment in partnership firms whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts included in respect of these partnership firms, is based solely on the reports of the other auditors.

Our opinion on the standalone financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the auditors of partnership firms, referred to in the Other Matter paragraph above we report, to the extent applicable that:
  - a) 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.
  - b) 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.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

**CA. Vipul Lathi**

Partner

Membership No: 134897

Place: Nashik

Date: 28 may 2018

## Annexure A to the Independent Auditors' Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)  
Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Act.

We have audited the internal financial controls over financial reporting of Karda Constructions Limited ("the Company") as of 31 March 2018 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 is responsible for establishing and maintaining internal financial controls 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". 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 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 Act.

#### 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; and
- (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 2018, 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 M/s. JPL & Associates,  
Chartered Accountants  
Firm Registration No. 132748W

CA. Vipul Lathi  
Partner  
Membership No: 134897

Place: Nashik  
Date: 28th May, 2018

## **Annexure B to the Independent Auditors' Report**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

### **(i) In respect of Fixed Assets**

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, records examined by us and based on the examination of the registered title deeds provided to us, we report that, the title deeds, comprising all the immovable properties of buildings which are freehold, are held in the name of the Company as at the balance sheet date. The company does not have any immovable properties taken on lease which need to be disclosed as fixed asset in the financial statements.

### **(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 and no material discrepancies were noticed on physical verification.

### **(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, there are no loans, guarantees, and securities granted during the year in respect of which provisions of Section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon. Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the Company has complied with provisions of Section 186 of the Companies Act 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

- (v) Compliance under section 73 to 76 of The Companies Act, 2013 and Rules framed thereunder while accepting Deposits According to the information and explanations given to us, the Company has not accepted any deposit during the year and hence reporting under clause (v) of paragraph 3 of the Order is not applicable to the Company.



**(vi) Maintenance of cost records**

The maintenance of cost records has been specified by the Central Government under section 148(1) of the Act. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

**(vii) Deposit of Statutory Dues**

- (a) According to information given to us and the books examined by us, the company has generally been regular in depositing the undisputed statutory dues namely, Income Tax, Profession Tax, Provident Fund, Sales Tax, Service tax, Goods and Service Tax, cess and other statutory dues with the appropriate authorities. According to information given to us, there are no arrears of outstanding statutory dues as at the last day of the period end for a period of more than six months from the date they became payable.
- (b) As informed to us by the management of the Company, there were no disputes pending with revenue authorities regarding any duty or tax payable except for the amounts mentioned below:

(INR 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	31.28	4.69	CIT (Appeals)
2	Income Tax Act, 1961	Demand u/s 143(3)	A Y 2015-16	203.90	29.48	CIT (Appeals)
3	Sales Tax	Sec 26 of MVAT Act	F Y 2012-13	58.45	-	DCST (Appeals)
4	Sales Tax	Sec 26 of MVAT Act	FY 2013-14	14.03	0.78	DCST (Appeals)

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

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

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

The company has raised money by way of initial public offer (including debt instruments) and term loans during the year. In our opinion and according to the information and explanations given to us, the proceeds of initial public offer and 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**

To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

**(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**

The Company is not a Nidhi Company and hence reporting under clause (xii) of paragraph 3 of the Order is not applicable.

**(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 is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

**(xiv) Compliance under section 42 of Companies Act - 2013 regarding Private placement of Shares or Debentures**

During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures 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**

In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its subsidiaries or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

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

The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

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

Place: Nashik  
Date: 28th May, 2018

# **BALANCE SHEET**

Sr. No.	Particulars	Note No.	As at	As at	As at
			March 31, 2018	March 31, 2017	April 01, 2016
	<b>ASSETS</b>				
1	Non-Current Assets				
	(a) Property, Plant and Equipment	3	177.15	197.73	180.02
	(b) Investment Properties	4	22.21	22.21	22.21
	(c) Financial Assets				
	(i) Investments	5(a)			
	- In Partnership Firms		98.82	98.82	233.82
	- In Others		29.03	40.72	40.72
	(ii) Loans & Advances	5(b)	896.05	840.55	527.50
	(iii) Other Financial Assets	5(c)	504.02	416.77	453.27
	(d) Other Non-Current Assets	6	234.17	185.69	105.00
	Total Non-Current Assets		1,961.45	1,802.49	1,562.54
2	Current Assets				
	(a) Inventories	7	14,111.73	17,107.79	18,803.25
	(b) Financial Assets				
	(i) Investments	5(a)	202.86	1,819.56	450.00
	(ii) Trade Receivables	5(d)	166.76	76.37	21.33
	(iii) Cash and Cash Equivalents	5(e)	9,191.35	220.56	113.21
	(iv) Loans & Advances	5(b)	3,517.98	3,368.45	3,561.73
	(v) Other Financial Assets	5(c)	0.55	1.06	1.80
	(c) Current Tax Assets (Net)	5(f)	621.23	312.45	415.05
	(d) Other Current Assets	6	176.64	102.45	118.62
	Total Current Assets		27,989.10	23,008.68	23,485.00
	Total Assets (1+2)		29,950.54	24,811.17	25,047.54
	<b>EQUITY AND LIABILITIES</b>				
1	<b>EQUITY</b>				
	(a) Equity Share Capital	8(a)	1,230.00	900.00	500.00
	(b) Other Equity	8(b)	7,106.53	2,135.06	1,766.27
	Total Equity		8,336.53	3,035.06	2,266.27
	<b>LIABILITIES</b>				
2	Non-Current Liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	9(a)	6,696.23	7,991.32	10,041.57
	(ii) Other Financial Liabilities	9(b)	12.71	138.19	269.48
	(b) Other Non-Current Liabilities	10	1,332.25	5,697.36	8,398.26
	(c) Provisions	11	16.82	12.92	-
	(d) Deferred Tax Liabilities	12	3.93	5.68	5.66
	Total Non-Current Liabilities		8,061.94	13,845.47	18,714.97
3	Current Liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	9(a)	3,498.84	3,625.69	2,127.34
	(ii) Trade Payables	13	1,454.63	633.03	887.95
	(iii) Other Financial Liabilities	9(b)	6,092.27	1,898.50	612.08
	(b) Provisions	11	51.17	10.65	14.11
	(c) Current Tax Liabilities (Net)	14	583.20	430.00	289.40
	(d) Other Current Liabilities	15	1,871.95	1,332.77	135.42
	Total Current Liabilities		13,552.07	7,930.64	4,066.30
	Total Equity & Liabilities (1+2+3)		29,950.54	24,811.17	25,047.54
	See accompanying notes forming part of the financial statements				

In terms of our report attached For

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

**SD/-**  
Ca Vipul Lathi  
Partner  
Membership No.134897

Place : Nashik

Date : 28th May, 2018

For and on behalf of the Board of Directors

**SD/-**  
**Naresh Karda**  
Chairman & Managing Director  
(DIN - 01741279)

**SD/-**  
Anil Nahata  
Chief Financial Office

**SD/-**  
**Manohar Karda**  
Wholtime Director  
(DIN - 01808564)

**SD/-**  
Mayura Marathe  
Company Secretary

**STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

Sr.No.	Particulars	Note No.	For the year ended	
			31-Mar-18	31-Mar-17
1	Revenue from operations	16	12,679.13	10,577.86
2	Other Income	17	776.10	406.38
3	Total Revenue (1+2)		13,455.23	10,984.24
4	Expenses			
	(a) Cost of construction/development, land, plots and development rights	18	8,557.42	7,101.68
	(b) Employee benefits expense	19	243.12	199.54
	(c) Finance costs	20	1,971.45	1,826.79
	(d) Depreciation and amortization expense	3	29.78	27.41
	(e) Selling Expenses	21	454.90	291.21
	(f) Other Expenses	22	311.82	316.58
	Total Expenses (a to f)		11,568.48	9,763.22
5	Profit Before Tax (3-4)		1,886.75	1,221.02
6	Tax Expense			
	Current Tax		583.20	430.00
	Deferred Tax		-1.75	0.02
	Total Tax Expenses		581.45	430.02
7	Profit After Tax (5-6)		1,305.30	791.00
8	Other Comprehensive Income			
	Items that will not be subsequently reclassified to profit or loss		-3.90	-2.73
9	Total Comprehensive Income for the year (7+8)		1,301.40	788.27
10	Earning per Equity Share (EPS) (Amount in INR)		-	-
	Basic EPS		12.77	7.88
	Diluted EPS		12.77	7.88
	See accompanying notes forming part of the financial statements			

In terms of our report attached For  
JPL & Associates Chartered Accountants For  
(Firm Registration No. 132748W)

**SD/-**  
Ca Vipul Lathi  
Partner  
Membership No. 134897  
Place : Nashik

For and on behalf of the Board of Directors

**SD/-**  
**Naresh Karda**  
Chairman & Managing Director  
(DIN - 01741279)

**SD/-**  
Anil Nahata  
Chief Financial Office

**SD/-**  
**Manohar Karda**  
Wholtime Director  
(DIN - 01808564)

**SD/-**  
Mayura Marathe  
Company Secretary

Date : 28th May, 2018



# STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

## A. EQUITY SHARE CAPITAL

INR (In Lakhs)

Particulars	Amount
As at 1st April, 2016	500.00
Changes in equity share capital	400.00
As at 31st March, 2017	900.00
Changes in equity share capital	330.00
As at 31st March, 2018	1,230.00

## B. OTHER EQUITY

Particulars	Reserves and Surplus			Total
	Securities Premium Reserve	Debenture Redemption Reserve	General Reserve	
Balance as at 1st April, 2016	-	1,250.00	516.27	1,766.27
Changes in accounting policy or prior period Errors	-	-	-	-
Profit / (Loss) for the year			791.00	791.00
Items of other comprehensive income: Remeasurement of net defined benefit	-	-	(2.73)	(2.73)
Excess / (Short) Provision for Income Tax	-	-	(19.48)	(19.48)
Issue of fully paid-up Bonus Shares	-	-	(400.00)	(400.00)
Transfer (to)/from General Reserve		(1,250.00)	1,250.00	-
Balance at 31st March, 2017	-	-	2,135.06	2,135.06
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	-	-	3,795.01
Transfer (to)/from General Reserve	-	-	-	-
Balance at 31st March, 2018	3,795.01	-	3,311.53	7,106.53

The accompanying notes are an integral part of the financial statements

In terms of our report attached For  
JPL & Associates Chartered Accountants For  
(Firm Registration No. 132748W)

**SD/-**  
Ca Vipul Lathi  
Partner  
Membership No.134897  
Place : Nashik

Date : 28th May, 2018

For and on behalf of the Board of Directors

**SD/-**  
**Naresh Karda**  
Chairman & Managing Director  
(DIN - 01741279)

**SD/-**  
Anil Nahata  
Chief Financial Office

**SD/-**  
**Manohar Karda**  
Wholetime Director  
(DIN - 01808564)

**SD/-**  
Mayura Marathe  
Company Secretary

# STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2018

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
<b>Cash Flow from Operating Activities</b>		
Profit Before Tax:	1,886.75	1,221.02
Adjustment for:		
Depreciation and Amortisation	29.78	27.41
Provision for Gratuity	(3.90)	(2.73)
Finance Cost	1,971.45	1,826.79
Interest Income	(446.56)	(373.17)
Dividend Income	(1.10)	(2.52)
Profit from Redemption of Mutual Funds	(232.75)	(30.31)
Share of Profit from Partnership Firms	(199.08)	(27.74)
Adjustments in the Fixed Asset Schedule	19.18	-
Provisions for Deferred Taxes	1.75	(0.02)
Operating profit before working capital changes	3,025.52	2,638.73
Adjustments for changes in working capital		
(Increase) / Decrease in Financial Assets	(382.16)	(137.56)
(Increase) / Decrease in Non Financial Assets	(431.45)	38.08
(Increase) / Decrease in Inventories	2,996.06	1,695.47
Increase / (Decrease) in Financial Liabilities	4,889.89	900.22
Increase / (Decrease) in Non Financial Liabilities	(3,783.26)	(1,494.07)
	6,314.60	3,640.86
Taxes Paid (Net)	(454.54)	(308.88)
<b>Net Cash Flow from Operating Activities</b>	<b>5,860.05</b>	<b>3,331.98</b>
<b>Cash Flow from Investing Activities</b>		
Purchase of Property, Plant & Equipment	(28.76)	(45.12)
Sale / (Purchase) of Investments	1,628.39	(1,369.56)
(Investments in) / Withdrawal from Partnership Firms	-	135.01
Interest Income	446.56	373.17
Dividend Income	1.10	2.52
Profit from Redemption of Mutual Funds	232.75	30.31
Share of Profit from Partnership Firms	199.08	27.74
<b>Net Cash Flow from Investing Activities</b>	<b>2,479.12</b>	<b>(845.93)</b>
<b>Cash Flow from Financing Activities</b>		
Proceeds from Issue of Equity Share Capital	4,140.00	-
Payment for Share Issue Expenses – IPO	(114.99)	-
Proceeds from / (Repayment of) Long Term Borrowings (Net)	(1,295.08)	(2,050.26)
Proceeds from / (Repayment of) Short Term Borrowings (Net)	(126.85)	1,498.35
Interest Paid	(1,971.45)	(1,826.79)
<b>Net Cash Flow from Financing Activities</b>	<b>631.62</b>	<b>(2,378.70)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>8,970.79</b>	<b>107.35</b>
Cash and Cash Equivalents - Opening Balance	220.56	113.21
Cash and Cash Equivalents - Closing Balance	9,191.35	220.56
See accompanying notes forming part of the financial statements		

In terms of our report attached For  
JPL & Associates Chartered Accountants For  
(Firm Registration No. 132748W)

**SD/-**  
Ca Vipul Lathi  
Partner  
Membership No.134897  
Place : Nashik

Date : 28th May, 2018

For and on behalf of the Board of Directors

**SD/-**  
**Naresh Karda**  
Chairman & Managing Director  
(DIN - 01741279)

**SD/-**  
Anil Nahata  
Chief Financial Office

**SD/-**  
**Manohar Karda**  
Wholetime Director  
(DIN - 01808564)

**SD/-**  
Mayura Marathe  
Company Secretary

## KARDA CONSTRUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018.

### 1. Corporate Information

Karda Constructions Limited ("the Company") is a listed public limited company domiciled in India, incorporated under the Companies Act, 1956. The Company is primarily engaged in real estate business of construction and development of Residential & Commercial Premises; IT Parks and Civil Contracts (EPC) along with renting of immovable properties.

### 2. Significant Accounting Policies

#### A. Statement of Compliance :

The financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015. Upto the year ended 31 March 2017, the company has prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the company's first Ind AS financial statements. The date of transition to Ind AS is 1 April 2015. Refer Note 34 for the details of first-time adoption exemptions availed by the Company.

#### B. Basis of Preparation of Financial Statements :

The financial statements of the Company have been prepared to comply in all material respects with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015. The financial statements for all periods upto and including year ended 31st March 2016 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006 notified under Section 133 of the Companies Act, 2013 ("the Act"), read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) ("previous GAAP"). The financial statements for the year ended 31st March, 2017 are the first financial statements prepared by the Company in accordance with Ind AS. The financial statements have been prepared under the historical cost convention with the exception of certain financial assets and liabilities which have been measured at fair value, on an accrual basis of accounting. The financial statements are prepared in INR.

All the assets and liabilities have been classified as current or non-current, wherever applicable, as per the operating cycle of the Company as per the guidance set out in Schedule III to the Act. Operating cycle for the business activities of the Company covers the duration of the project / contract including the defect liability period, wherever applicable, and extends upto the realisation of receivables (including retention monies, if any) within the credit period normally applicable to the respective project.

The Company's financial statements are reported in Indian Rupees (In Lakhs), which is also the Company's functional currency, and all values are rounded to the nearest thousand (INR,000), except when otherwise indicated.

#### C. Use of Estimates :

The preparation of financial statements requires the management of the company to make estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of income and expenses during the reported period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

#### D. Inventories :

Inventory comprises of stock of raw material, completed properties for sale and properties under construction (Work in Progress). Work In Progress comprises cost of land, development rights, construction and development cost, cost of material, services and other overheads related to projects under construction. Inventory is valued at cost or net realizable value whichever is lower.

#### E. Property, Plant & Equipment and Investment Property :

Property, Plant & Equipment and Intangible assets are stated at actual cost less accumulated depreciation and net of impairment. The actual cost capitalised includes material cost, freight, installation cost, duties and taxes, eligible

borrowing costs and other incidental expenses incurred during the construction / installation stage. 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 is charged based on straight line method on an estimated useful life as prescribed in Schedule II to the Companies Act, 2013. 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. 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. For transition to Ind AS, the Company has elected to continue with the carrying value of all the property, plant and equipment recognised as of 1 April 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

## **F. Revenue Recognition :**

Revenue is recognised to the extent that it is probable that the economic benefits will accrue to the Company and the revenue can be reliably measured and also when it is reasonably certain that the ultimate collection will be made and that there is buyer's commitment to make the complete payment.

- i. Revenue from real estate projects including integrated townships is recognised on the 'Percentage of Completion Method' of accounting. Revenue is recognized, in relation to the sold areas only, on the basis of percentage of actual cost incurred thereon including land as against the total estimated cost of the project under execution subject to construction costs being 25% or more of the total estimated cost. The estimates of saleable area and costs are revised periodically by the management. The effect of such changes to estimates is recognised in the period such changes are determined.

In accordance with Guidance Note issued by the Institute of Chartered Accountants of India (ICAI), on 'Accounting for Real Estate Transactions (for entities to whom Ind AS is applicable), revenue is recognised on percentage of completion method if:

- (a) All critical approvals necessary for the commencement of the project have been obtained
- (b) Actual construction and development cost (excluding land cost) incurred is 25% or more of the estimated cost,
- (c) At least 25% of the saleable project area is secured by contracts or agreements with buyers and (d) At least 10% of the total revenue as per sales agreement or any other legally enforceable document are realised as at the reporting date.

- ii. Losses expected to be incurred on projects under construction, are charged in the Statement of Profit and Loss in the period in which the losses are known.
- iii. In case of joint development projects, revenue is recognised to the extent of company's percentage share of the underlying real estate development project.
- iv. 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.
- v. Facility charges, rental, hire charges, sub lease and maintenance income are recognized on accrual basis as per the terms and conditions of relevant agreements.
- vi. Interest income is accounted on accrual basis on a time proportion basis.
- vii. Dividend income is recognized when right to receive is established.
- viii. Share of profit (Loss) from partnership firms/LLPs in which the Company is partner is recognized based on the financial information provided and confirmed by the respective firms.

## **G. Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after reporting period. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.



## **H. Trade receivables**

A receivable is classified as a 'trade receivable' if it is in respect of the amount due on account of goods sold or services rendered in the normal course of business.

## **I. Cash Flow Statement :**

The Cash Flow statement is prepared by indirect method set out in Ind AS 7- "Cash Flow Statements" and present cash flows by operating, investing and financing activities of the Company.

## **J. Cash and Cash Equivalents :**

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand 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, as they are considered an integral part of the Company's cash management.

## **K. Cost of Construction / Development :**

Cost of Construction/Development (including cost of land) incurred is charged to the statement of profit and loss proportionate to project area sold. Costs incurred for projects which have not achieved reasonable level of development is carried over as construction work-in-progress.

## **L. Foreign Currency Transactions**

Transactions in foreign currencies are recorded at the rates of exchange prevailing on the date of the transaction. Foreign currency monetary assets and liabilities are translated into rupees at the rate of exchange prevailing on the date of the Balance Sheet and the resulting gain/loss is recorded in the Statement of Profit and Loss. Exchange differences arising on settlement of transactions and translation of monetary items are recognized as income or expense in the year in which they arise.

## **M. Employee Benefits :**

### **a) Defined Contribution Plan**

Contributions to defined contribution schemes such as provident fund, labour welfare fund are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. The Company's provident fund contribution is made to a government administered fund and charged as an expense to the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Company has no further obligations beyond the monthly contributions.

### **b) Defined Benefit Plan**

The Company provides for gratuity which is a defined benefit plans the liabilities of which is determined based on valuations, as at the balance sheet date, made by an independent actuary using the projected unit credit method. Re-measurement, comprising of actuarial gains and losses, in respect of gratuity are recognised in the OCI, in the period in which they occur. Re-measurement recognised in OCI are not reclassified in the Statement of Profit and Loss in subsequent periods. The classification of the Company's obligation into current and non-current is as per the actuarial valuation report.

### **c) 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.

### **d) Short-term Benefits**

Short-term employee benefits such as salaries, performance incentives, etc., are recognised as expenses at the undiscounted amounts in the Statement of Profit and Loss of the period in which the related service is rendered. Expenses on non-accumulating compensated absences is recognised in the period in which the absences occur.

## **N. Borrowing Cost :**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

## **O. Operating leases :**

Lease arrangements under which all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease rental under operating lease are recognised in the Statement of Profit and Loss on a straight line basis over the lease term.

## **P. Earnings Per Share :**

The Company reports basic and diluted earnings per share in accordance with Ind AS - 33 on 'Earnings per Share'. Basic earnings per share is computed by dividing the net profit or loss for the year by the weighted average number of Equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

## **Q. Taxation :**

### **Current Tax:**

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to/recovered from the tax authorities, based on estimated tax liability computed after taking credit for allowances and exemption in accordance with the local tax laws existing in the respective countries.

### **Deferred Tax:**

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount.

Deferred income tax asset are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax liabilities and assets measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively by the end of the reporting period.

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

### **Current and deferred tax for the year:**

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively

## **R. Impairment :**

### **(i) Financial Assets :**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired.

Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

## **(ii) Non-Financial Assets :**

Property, Plant & Equipment and Intangible assets (PPE&IA):

At each Balance Sheet date, the Company reviews the carrying amounts of its PPE & IA to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset. Reversal of impairment loss is recognised as income in the Statement of Profit and Loss as and when they arise.

## **S. Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker regularly monitors and reviews the operating result of the whole Company as one segment of "Real Estate Development". Thus, as defined in Ind AS 108 "Operating Segments", the Company's entire business falls under this one operational segment and hence the necessary information has already been disclosed in the Balance Sheet and the Statement of Profit and Loss.

## **T. Provisions, Contingent Liabilities and Contingent Assets :**

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which the reliable estimate can be made. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material) and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent liability also arises, in rare cases, where a liability cannot be recognised because it cannot be measured reliably.

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

## **U. Operating Cycle :**

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

## **V. Prior Period Items :**

Expenses related to the earlier period are debited to profit and loss account, if any. As per information, explanation and records kept by the company, the amount of such expenses and income are not fully quantifiable.

## **W. Investments:**

Long term investments are stated at cost, while short term investments are stated at cost or net realizable value whichever is lower.

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at April 1, 2017	Additions during the year	Deductions during the year	As at March 31, 2018	Upto March 31, 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									-	-

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at April 1, 2016*	Additions during the year	Deductions during the year	As at March 31, 2017	Upto March 31, 2016	For the year	Deductions	Upto March 31, 2017	As at March 31, 2017	As at March 31, 2016
a) Plant Property & Equipment										
Buildings	27.37	-	-	27.37	-	1.33	-	1.33	26.03	27.37
Plant & Machinery	17.69	11.15	-	28.84	2.04	1.67	-	3.71	25.13	15.65
Furniture & Fixtures	145.55	20.56	-	166.11	31.80	15.17	-	46.98	119.13	113.75
Computers & Laptops	14.47	1.83	-	16.31	8.18	2.91	-	11.09	5.22	6.29
Vehicles	8.60	-	-	8.60	0.21	1.02	-	1.23	7.37	8.39
Office Equipments	16.79	11.57	-	28.36	8.21	5.30	-	13.51	14.84	8.57
Total Plant Property & Equipment	230.47	45.12	-	275.58	50.45	27.41	-	77.85	197.73	180.02
b) Intangible Assets									-	-
c) Capital Work-in-Progress									-	-



\* Table showing information regarding gross block of assets and accumulated depreciation & amortisation of Property, Plant & Equipment and Intangible Assets under Indian GAAP as on April 1, 2016

Particulars	As at April 1, 2016		
	Gross Block (At Cost)	Accumulated Depreciation & Amortisation	Net Block
a) Plant Property & Equipment			
Buildings	27.37	-	27.37
Plant & Machinery	17.69	2.04	15.65
Furniture & Fixtures	145.55	31.80	113.75
Computers & Laptops	14.47	8.18	6.29
Vehicles	8.60	0.21	8.39
Office Equipments	16.79	8.21	8.57
<b>Total Plant Property &amp; Equipment</b>	<b>230.47</b>	<b>50.45</b>	<b>180.02</b>

#### 1. Deemed cost for property, plant and equipment, investment property, and intangible assets

The Company has elected to continue with the carrying value of all its property, plant and Equipment and Intangible assets recognised as of 1 April 2016 (transition date) measured as per previous GAAP and use that carrying value as its deemed cost as of the transition date.

#### Note 4: Investment Properties

Particulars	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017	1 <sup>st</sup> April, 2016
Farm House Plot (at 5. No. 292/1A & 2A, Bhagur)	22.21	22.21	22.21
<b>Total</b>	<b>22.21</b>	<b>22.21</b>	<b>22.21</b>

#### Note 5: Financial Assets 5(a) Non Current Investments

(Amount in lakhs)

Particulars	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	1 <sup>st</sup> April 2016
A) Investment in Fully paid-up Equity Instruments			
Nashik Merchant Co-Operative Bank Ltd.	-	11.69	11.69
Nil (As at March 31, 2017: 1,16,900; April 1, 2016: 1,16,900) Equity shares of Rs. 10/- each			
Nashik Road Deolali Vyapari Bank Ltd.	5.03	5.03	5.03
50,250 (As at March 31, 2017: 50,250; April 1, 2016: 50,250) Equity shares of Rs. 10/- each			
Shree Sainath Land & Development (India) Private Limited	24.00	24.00	24.00
2,40,000 (As at March 31, 2017: 2,40,000; April 1, 2016: 2,40,000) Equity shares of Rs. 10/- each			
<b>Total</b>	<b>29.03</b>	<b>40.72</b>	<b>40.72</b>
B) Capital Investment in Partnership Firms (Refer Footnote a)			
Karda Infrastructures	0.17	0.17	80.65
Sai Associates	98.60	98.60	128.60
Bhakti Enterprises	0.05	0.05	18.46
Green Enterprises	-	-	6.11
<b>Total</b>	<b>98.82</b>	<b>98.82</b>	<b>233.82</b>
<b>Total Non Current Investments (A+B)</b>	<b>127.84</b>	<b>139.53</b>	<b>274.54</b>

**Foot note:**

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

(Amount in lakhs)

Partnership Firms	Share in profits (%)		
	31 March 2018	31 March 2017	1 April 2016
<b>1. M/s. Karda Infrastructures (Refer Footnote c)</b>			
Karda Constructions Ltd	33.33	33.33	33.33
Naresh Jagumal Karda	33.34	33.34	33.34
Rahul Kalani	33.33	33.33	33.33
Total Capital of the firm (In Lakhs)	(3,322.66)	(1,460.72)	197.38
<b>2. M/s. Sai Associates</b>			
Karda Constructions Ltd	60	60	60
Ravi Sugand HUF	20	20	20
Sunil Katariya HUF	20	20	20
Total Capital of the firm (In Lakhs)	98.60	98.60	98.60
<b>3. M/s. Bhakti Enterprises</b>			
Naresh Karda	55.00	55.00	55.00
Manohar Karda	5.00	5.00	5.00
Laxman Karda	5.00	5.00	5.00
Prem Karda	5.00	5.00	5.00
Bharati M Karda	5.00	5.00	5.00
Disha N Karda	5.00	5.00	5.00
Karamchand Karda	5.00	5.00	5.00
Karda Constructions Ltd	5.00	5.00	5.00
Komal Karda	5.00	5.00	5.00
Neha Karda	5.00	5.00	5.00
Total Capital of the firm (In Lakhs)	273.84	3.14	146.00
<b>4. M/s. Green Enterprises</b>			
Basant Nathumal Gurnani	16.67	16.67	16.67
Sujyoti Fininvest Pvt Ltd	33.33	33.33	33.33
Karda Constructions Limited	11.67	11.67	11.67
Maharaj Birmani	33.33	33.33	33.33
Naresh Karda	5.00	5.00	5.00
Total Capital of the firm (In Lakhs)	245.56	313.90	344.17

b) The Company has investments in certain partnership firms aggregating Rs.98.82 lakhs (31st March, 2017: Rs.98.82 lakhs ; 1st April, 2016: Rs.233.82 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)**

(Amount in lakhs)

Particulars	31 March 2018	31 March 2017	1 April 2016
Investment in Mutual Funds (Quoted) (At cost)			
ICICI Prudential Savings Funds - DP Growth 74,994.884 units (As at March 31, 2017: 5,57,607.263 units; April 1, 2016: 1,98,280.740 units)	202.86	1,819.56	450.00
Total	202.86	1,819.56	450.00

**Note 5: Financial Assets****5(b) Non-Current Loans and Advances**

Particulars	31 March 2018	31 March 2017	1 April 2016
Loans to related parties	-	-	-
Loans to Others - Secured (Refer Footnote 1 below)			
(a) Advance against Shop	10.00	-	
(b) Advances & Deposits - Land Purchase	886.05	840.55	527.50
Total	896.05	840.55	527.50

**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 2018	31 March 2017	1 April 2016
Loans to related parties	-	-	-
Loans to Others - Unsecured, Considered Good	3,517.98	3,368.45	3,561.73
Total	3,517.98	3,368.45	3,561.73

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.

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

Particulars	31 March 2018	31 March 2017	1 April 2016
Deposits with Banks (Refer Footnote)	358.11	336.15	453.27
Security Deposits	145.91	80.63	-
Total	504.02	416.77	453.27

**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 2018	31 March 2017	1 April 2016
Advance against salaries	0.55	1.06	1.80
Total	0.55	1.06	1.80

**5(b) Trade Receivables**

Particulars	31 March 2018	31 March 2017	1 April 2016
Non-current			
Related Party	-	-	-
Unsecured, considered good	-	-	-
Total	-	-	-
Current			
Related Party	-	-	-

(Amount in lakhs)

Unsecured, considered good	-	-	-
(a) Receivables from Customers - Real Estate	69.35	74.98	21.33
(b) Receivables from Customers - Civil Contracts	94.12	-	-
(c) Rent Receivable	3.29	1.39	-
Total	166.76	76.37	21.33
Less: Allowance for doubtful debts	-	-	-
Total	166.76	76.37	21.33

**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.

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

Particulars	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	1 <sup>st</sup> April 2016
Balance with Banks	1077.92	59.51	46.13
Current Accounts			
Goa-Current-in EEFC accounts			
Escrow Accounts (Refer Footnote)	7,743.03	28.92	42.80
RERA Accounts	315.30	-	-
Cash on Hand	55.10	132.13	24.28
Total	9,191.35	220.56	113.21

**Footnote :**

a) Escrow Accounts for the year ended 31st March, 2018 includes the amount of Rs. 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.

**5(f) Current Tax Assets**

Particulars	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	1 <sup>st</sup> April 2016
Balances with Government Authorities			
Advance Tax and Income Tax payment	165.00	224.39	130.00
Tax Deducted at source	67.79	45.80	35.59
E- payment Account	-	5.03	2.46
Excess credit Balances of GST & Service tax	388.45	37.22	247.00
Total	621.23	312.45	415.05

**Note 6: Other Non Financial Assets**

Particulars	31 March 2018	31 March 2017	1 April 2016
Other Non-Current Assets			
Deposits for Income Tax Appeals (Refer Footnote)	234.17	185.69	105.00
Total	234.17	185.69	105.00
Other Current Assets			
Advances to Suppliers	11.11	12.07	109.42
Other Receivables	72.03	89.58	9.19
Misc. Assets - IPO Expenses (Refer Footnote)	93.50	0.80	-
Total	176.64	102.45	118.62

**Foot note:**

a) Deposits are made with the Income Tax - Commissioner (Appeals) for the A.Y. 2010-11 Rs.200.00 Lakhs, A.Y. 2014-15 Rs.4.69 Lakhs & A.Y. 2015-16 Rs.29.48 Lakhs



- b) IPO expenses were incurred during the year for the fresh issue of equity shares and offer for sale of promoter. The listing date of equity shares on BSE & NSE was 02-04-2018. The amount of Rs.93.50 Lakhs represents the advance given to the parties. Total of IPO expenses adjusted against the securities premium was Rs.114.99 Lakhs

**Note 7: Inventories**

(Amount in lakhs)

Particulars	31 March 2018	31 March 2017	1 April 2016
Inventories (lower of cost or net realisable value)			
Stock of material at site	72.11	84.40	-
Completed Projects	84.48	369.74	1,017.09
Incomplete Projects Work-In-Progress	12,639.36	14,092.37	14,946.99
Land Bank	1,135.22	2,556.84	2,839.18
Civil Construction Work-In-Progress	180.55	4.43	-
Total	14,111.73	17,107.79	18,803.25

**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 Capital**

Particulars	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	1 <sup>st</sup> April 2017
Authorised Share Capital			
1,40,00,000 (As at 31 <sup>st</sup> March 2017: 1,40,00,000; As at 1 <sup>st</sup> April, 2016: 1,40,00,000) Equity Shares of Rs. 10/- each	1,400.00	1,400.00	1,400.00
Issued and subscribed capital comprises: 1,23,00,000 (As at 31 <sup>st</sup> March, 2017; As at 1 <sup>st</sup> April, 2016: 50,00,000) Equity shares of Rs. 10/- each fully paid-up	1,230.00	900.00	500.00

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

Particulars	Number of Shares	Share Capital
Fully paid Equity Shares (in lakhs)		
Balance as at 1 <sup>st</sup> April 2016	50.00	500.00
Add: Issued during the year (Bonus Issue)	40.00	400.00
Less: Bought back during the year	-	-
Balance as at 31 <sup>st</sup> March 2017	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	-	-
Balance at 31 <sup>st</sup> March, 2018	123.00	1,230.00

**2.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, 2018.

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

(Amount in lakhs)

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Number of shares held	% holding	Number of shares held	% holding
Fully paid up equity shares (In Lakhs)				
Naresh Jagumal Karda	56.00	45.53%	68.40	76.00%
Prem Jagumal Karda	5.90	4.80%	5.31	5.90%
Laxman Jagumal Karda	5.50	4.47%	4.95	5.50%

Particulars	As at 1st April, 2016	
	Number of shares held	% holding
Fully paid up equity shares		
Naresh Jagumal Karda	37.99	75.98%
Prem Jagumal Karda	2.95	5.90%
Laxman Jagumal Karda	2.75	5.50%

#### 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. 2016-17 - 40.00 Lakhs & 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

Particulars	31 March 2018	31 March 2017	1 April 2016
<b>Securities Premium Reserve</b>			
Balance at the beginning of the year	-	-	-
Add / (Less) :			
Fresh Issue of Equity Shares in IPO	3,910.00	-	-
Adjustments for Shares Issue Expenses-IPO	(114.99)	-	-
Balance at the end of the year	3,795.01	-	-
The amount received in excess of the value of the equity shares is recognised in Securities Premium Reserve. The reserve is utilised in accordance with the provision of the Act.			
<b>Debenture Redemption Reserve</b>			
Balance at the beginning of the year	-	1,250.00	1,250.00
Add / (Less) :			
Amount transferred to general reserve	-	(1,250.00)	-
Balance at the end of the year	-	-	1,250.00
A debenture redemption reserve is a reserve that any Indian company that issues debentures must create to protect investors against the possibility of default by the company.			
<b>General Reserve</b>			
Balance at the beginning of the year	2,135.06	516.27	1,134.03
Add / (Less) :			
Issue of fully paid-up bonus shares	(100.00)	(400.00)	-
Prior Period Errors	(54.78)	-	-
Profit attributable to the owners of the company	1,305.30	791.00	632.24
Items of OCI recognised directly in retained earnings	(3.90)	(2.73)	-
Excess / (Short) Provision of Income Tax	29.85	(19.48)	-
Transfer (to)/from Debenture Redemption Reserve	-	1,250.00	(1,250.00)
Balance at the end of the year	3,311.53	2,135.06	516.27
<b>Total</b>	<b>7,106.53</b>	<b>2,135.06</b>	<b>1,766.27</b>

**Note 9: Financial Liabilities 9(a) Borrowings - Non Current**

(Amount in lakhs)

Particulars	31 March 2018	31 March 2017	1 April 2016
Secured			
(a) Term loans			
From Banks & Financial Institutions - Rupee loan	9,187.18	9,857.04	9,561.05
	9,187.18	9,857.04	9,561.05
Unsecured			
(a) Other Loans			
Loans from Others	-	32.77	1,092.60
	-	32.77	1,092.60
Total Non-Current Borrowings	9,187.18	9,889.81	10,653.65
Less: Transferred to Current Maturities	2,490.95	1,898.50	612.08
Total	6,696.23	7,991.32	10,041.57

**9 (a) Borrowings - Current**

(Amount in lakhs)

Particulars	31 March 2018	31 March 2017	1 April 2016
Secured			
(a) Loan against Construction Projects	-	-	
Working Capital Loan / Cash Credit from Banks	3,105.72	2,923.26	1,727.65
	3,105.72	2,923.26	1,727.65
Unsecured			
(a) Other Loans - Repayable on Demand			
From Related Parties	393.12	702.43	399.69
	393.12	702.43	399.69
Total	3,498.84	3,625.69	2,127.34

**Footnote:**

(a) Secured term loans from banks carry interest rates with in a range of 12.50%to15.50%.The nature of securities are

Name of the Lenders	Security Offered (Further secured by personal guarantee of one or more promoters)
1. ICICI Bank (Term Loan against Constructions of Projects)	1. Mortgage of saleable area (residential + commercial) of Hari Sanskruti, Hari Sparsh, Hari Niwas&HariShrushtiProjectssituatedatNashik.
2. Indiabulls Housing Finance Limited (Term Loan against Constructions of Projects)	1. MortgageofunsoldunitsofHariVishwaProjectat Nashik. 2. Mortgage of Plots sit uated at Mumbai Agra Highway&VihitgaonShiwarinNashik.
3. ECL Finance Limited (Term Loan against Constructions of Projects)	1. MortgageoflandpertainingtotheHariSanskriti- II Project atNashik. 2. Hypothecation of all the present and future receivables,unsoldunitsofHariSanskriti-IIProject at Nashik
4. State Bank of India (Overdraft & Cash Credit Facility)	1. Mortgage of land pertaining to the Hari Bhakti Project at Nashik alongwith the construction thereon. 2. Hypothecationofstockandreceivables of Hari BhaktiProject at Nashik 3. MortgageofPlotssituatedatNashik.
5. State Bank of India (Term Loan against Constructions of Projects)	1. Mortgage of land pertaining to the HariVasant Project at Nashik alongwith the construction thereon. 2. Hypothecationofstockandreceivables of Hari VasantProjectatNashik. 3. MortgageofPlotssituatedatNashik.
6. Axis Bank (Overdraft&CashCreditFacility)	1. Mortgage of Plot situated at Bhagur, Nashik.
7.NashikRoadDeolaliVyapariSahakariBankLimited (TermLoan&OverdraftFacility)	1. Mortgage of Plot situated at Bhagur, Nashik.
7. Navjeevan Co-Operative Bank Limited (Term Loan & Overdraft Facility)	1. Mortgage of Plots situated at Deolali Camp & Panchak, 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 11: Provisions

Non Current Provisions

**Note 9: Financial Liabilities 9(a) Other Financial Liabilities - Non Current**

(Amount in lakhs)

Particulars	31 March 2018	31 March 2017	1 April 2016
Lease deposits from tenants	12.71	0.75	-
Other Long Term Borrowings	-	137.44	269.48
Total	12.71	138.19	269.48
9(b) Other Financial Liabilities - Current			
Particulars	31 March 2018	31 March 2017	1 April 2016
Current Maturities of Long Term Debts	2,490.95	1,898.50	612.08
Branch - KCL DDUGKY Project	1.33	-	-
Karda Construction - Offer for Sale (Refer Footnote)	3,600.00	-	-
Total	6,092.27	1,898.50	612.08

**Footnote:**

a) Other Financial Liabilities of 'Karda Construction - Offer for Sale' is the amount of proceeds payable to Mr. Naresh Karda on account of offer for sale of their holdings in an IPO.



Note 10: Other Non Current Liabilities

(Amount in lakhs)

Particulars	31 March 2018	31 March 2017	1 April 2016
Booking Advances from Customers:			
Against Real Estate Project	147.78	4,807.64	7,658.17
Against Plots & Land	1,184.46	889.72	740.09
Total	1,332.25	5,697.36	8,398.26

Note : 11

**Current Provisions**

(Amount in lakhs)

Particulars	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	1 <sup>st</sup> April 2016
Employee Benefits			
Provision for Gratuity	16.82	12.92	-
Total	16.82	12.92	-

Particulars	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	1 <sup>st</sup> April 2016
Employee benefits			
Salary payable	29.83	10.18	10.22
Other provisions	21.34	0.46	3.89
Total	51.17	10.65	14.11

**Footnote :**

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

## Note: 12 Deferred Tax Liabilities

(Amount in lakhs)

Particulars	31 March 2018	31 March 2017	1 April 2016
Opening Balance	5.68	5.66	6.15
Temporary difference on account of depreciation on Property, Plant and Equipment	(1.75)	0.02	(0.49)
Deferred Tax Liabilities (Net)	3.93	5.68	5.66

## Note 13: Trade Payables

Particulars	31 March 2018	31 March 2017	1 April 2016
Trade Payables			
Dues to MSME	-	-	-
Dues to Others	1,454.63	633.03	887.95
Total	1,454.63	633.03	887.95

**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 Rs. Nil (As at 31st March, 2017: Rs. Nil; As at 1st April, 2016: Rs. Nil) due to micro, small and medium enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED).

c) No interest was 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 Rs. 12.20 lakhs (31st March, 2017: Rs.3.92 lakhs; 1st April, 2016: Rs. 2.46 lakhs) due to related parties. Kindly refer Note 25..

## Note 14: Current Tax Liabilities

Particulars	31 March 2018	31 March 2017	1 April 2016
Provision for Income Tax	583.20	430.00	289.40
Total	583.20	430.00	289.40

## Note 15: Other Current Liabilities

Particulars	31 March 2018	31 March 2017	1 April 2016
Payable to Partnership Firms			
Green Enterprises	21.67	11.03	-
Karda Infrastructures	1,775.24	1,133.25	-
Bhakti Enterprises	15.41	128.27	-
	1,812.32	1,272.55	-
Other Payables			
Statutory Dues	59.63	60.21	109.30
Others	-	-	26.12
Total	1,871.95	1,332.77	135.42

**Footnote:**

a) 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

(Amount in lakhs)

Particulars	31 March 2018	31 March 2017
Sale from operations		
(a) Sale of Properties / Flats (Residential and Commercial)	11,819.69	10,537.89
(b) Sale of Land	101.00	-
(c) Contract Revenue Income	533.18	-
(d) Rental Income	26.18	12.23
(e) Other Operating Revenue		
- Profit from Partnership Firms (Net)	199.08	27.74
Total	12,679.13	10,577.86

## Note 17: Other Income

Particulars	31 March 2018	31 March 2017
(a) Interest Income		
- On Bank Deposits	25.30	28.33
- Other Financial Assets	421.25	344.83
(b) Dividend Income from		
- Current Investments (Mutual Funds)	-	-
- Equity Investments (Dividend Income from Bank)	1.10	2.52
(c) Profit from Redemption of Mutual Funds	232.75	30.31
(d) Other Miscellaneous Income	95.69	0.38
Total	776.10	406.38

## Note No:18 Cost of Construction / Development

(INR in Lakhs)

Particulars	31 March 2018	31 March 2017
Opening Stock	17,108	18,803
Add: Cost incurred during the year		
Cost of Land / Development Rights	435	1,089
Consumption of Material	2,900	2,645
Contract cost, labour and other charges	1,342	1,334
Other construction expenses	234	405
Contract Expenses	651	-
Sub Total	5,561	5,406
Less : Closing stock	14,112	17,108
Total	8,557	7,102

## Note 19: Employee Benefit Expenses

(INR in Lakhs)

Particulars	31 March 2018	31 March 2017
Salaries, wages and bonus	172.90	127.96
Salary – Directors	52.20	48.00
Sitting Fees	2.67	-
Contribution to Provident Fund	10.40	8.70
Contribution to ESIC Fund	3.83	2.72
Gratuity - Previous Year	-	10.19
Leave Encashment	-	1.97
Staff Welfare Expenses	1.12	-
Total	243.12	199.54

**Footnote:**

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

(Amount in lakhs)

Particulars	31 March 2018	31 March 2017
Interest Expenses on Borrowings	1,895.30	1,736.72
Other Borrowing Cost	76.15	90.07
Total	1,971.45	1,826.79

**Footnote:**

- a) In line with Ind AS-23 'Borrowing Costs', the borrowing costs of Rs.1971.45 lakhs (For 2016-17: Rs. 1497.61 lakhs) have been capitalised to inventory.

Note 21: Selling Expenses

Particulars	31 March 2018	31 March 2017
Marketing Expenses	454.90	291.21
	454.90	291.21

Note 22: Other Expenses

Particulars	31 March 2018	31 March 2017
Legal Fees – Project	21.55	19.28
Site Expenses – Indirect	26.52	28.23
Rates and Taxes	7.19	9.13
Compensation on Cancellation of Flat Sale	130.17	-
Office Rent	23.18	18.00
Professional Fees	41.50	132.55
Printing and Stationery	5.58	7.05
Other Expenses	33.66	25.28
Corporate Social Responsibility (CSR) Activities	17.72	6.79
Payments to Auditors	4.75	3.25
Total	311.82	316.58

Note 22(a): Details of Payments to Auditors

Particulars	31 March 2018	31 March 2017
Payment to Auditors		
As Auditor:		
Audit Fees	4.00	3.25
Tax Audit Fees	0.75	-
	4.75	3.25
In Other Capacities		
Taxation matters	-	-
Company law matters	-	-
Certification fees	-	-
Re-imbursement of expenses	-	-
Total	4.75	3.25

Note 22(b): Corporate Social Responsibility Expenditure

Particulars	31 March 2018	31 March 2017
CSR Expenses under DDUGKY Scheme	1.95	1.00
Donations for Social Cause	11.05	
Tree Plantation & Garden Development Expenses	4.73	5.79
Total	17.72	6.79



Note 23 : Disclosure pursuant to Indian Accounting Standard (Ind-AS) 33 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	March31,2018	March 31, 2017
Profit attributable to equity holders of the Company	1,301.40	788.27
Weighted average number of Equity shares	101.92	100.00
Nominal Value of Equity Shares	Rs. 10/-	Rs. 10/-
Basic EPS	12.77	7.88
Diluted EPS	12.77	7.88

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.

Contingent Liabilities & Commitments (Not Provided For)

(INR in Lakhs)

Particulars	31March2018	31March2017	31 March 2016
(A) Claims against the Company not acknowledged as debts on account of:			
1. income tax and MVAT matter sunderappeal	306.90	290.28	200.00
2. TDS liability on account of short deduction, short payment and interest there on asper TRACES	0.04	-	-
3. Towards pending legal cases	-	-	-
(B) On account of corporate guarantees issued by the Company to banker sand others on behalf of the companies and joint ventures for facilities availed by them (amount outstanding there against.)(ReferFootnotec)	4,216.20	4,793.86	5,282.45
<b>Total</b>	<b>4,523</b>	<b>5,084</b>	<b>5,482</b>

#### Footnotes:

- 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.
- Contingent liabilities include corporate guarantees issued by the Company and relied upon by the Auditors.
- 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 Disclosures003A  
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 Karda	Director
2	Mr. Manohar Karda	Director
3	Mrs. Disha Karda	Director
4	Mr. Sandeep Ravindra Shah	Director
5	Mrs. Shweta Raju Tolani	Director
6	Mr. Rahul Kishor Dayama	Director
7	Mr. Anil Nahata	CFO/KMP
8	Mrs. Mayura Shinde	CS/KMP
9	Mr. Prem Karda	Relative of Director
10	Mr. Karamchand Karda	Relative of Director
11	Drishti Ceramics	Proprietary Firm of Director
12	Karda Constructions	Proprietary Firm of Director
13	Green Enterprises	Partnership Firm
14	Karda Infrastructures	Partnership Firm
15	Sai Associates	Partnership Firm
16	Bhakti Enterprises	Partnership Firm
17	Devesh Infrastructures	Partnership Firm of Director
18	Karda Buildcon Private Limited	Associate
19	Shree Sainath Land and Development Pvt. Ltd.	Associate

**Footnote:**

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.

Sr No.	Name of the Party	Name of transactions	31 March 2018	31 March 2017	1 April 2016
1	Mr. Prem Karda	Remuneration	12.00	12.00	12.00
2	Mrs. Disha Karda	Remuneration	12.00	12.00	12.00
3	Mr. Naresh Karda	Remuneration	16.20	12.00	12.00
4	Mr. Manohar Karda	Remuneration	12.00	12.00	12.00
5	Mrs. Disha Karda	Rent Payment	6.00	6.00	6.00
6	Mr. Naresh Karda	Rent Payment	6.00	6.00	6.00
7	Mr. Karamchand Karda	Rent Payment	6.00	6.00	6.00
8	Mrs. Shweta Tolani	Sitting Fees	1.38	-	-
9	Mr. Mohanlal Gurnani (Resigned)	Sitting Fees	0.28	-	-
10	Mr. Rahul Kishor Dayama	Sitting Fees	0.28	-	-
11	Mr. Sandeep Ravindra Shah	Sitting Fees	0.21	-	-
12	Mr. Kishor Karda	Sitting Fees	0.27	-	-
13	Mr. Rahul Kalani (Resigned)	Sitting Fees	0.25	-	-
14	Karda Constructions	Interest Payment	187.09	181.13	2.88
15	Karda Constructions	Unsecured Loans	4,618.58	2,932.53	752.34
16	Karda Constructions	Repayment of unsecuredLoans	5,096.27	2,792.82	355.24
17	Drishti Ceramics	Purchase of Material	3,865.31	40.62	33.70
18	Devesh Infrastructures	Labour Charges	5.46	-	-

	Balances outstanding at the year of the year				
1	Mr. Prem Karda	Remuneration	2.52	-	0.84
2	Mrs. Disha Karda	Remuneration	6.87	-	0.84
3	Mr. Naresh Karda	Remuneration	-	-	0.84
4	Mr. Manohar Karda	Remuneration	8.16	-	0.84
5	Mrs. Disha Karda	Rent Payment	4.50	-	0.45
6	Mr. Naresh Karda	Rent Payment	6.44	-	0.73
7	Mr. Karamchand Karda	Rent Payment	5.40	-	0.45

8	Karda Construction	Unsecured Loans	393.12	702.43	399.69
9	Drishti Ceramics	Purchase of Material	6.74	3.92	2.46
10	Devesh Infrastructures	Labour Charges	5.46	-	-

#### 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.

#### 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

The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

#### 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, 2018	As at 31st March, 2017	As at 1st April, 2016
-------------	---------------------------	---------------------------	--------------------------

Borrowings including current maturities	9,187.18	9,889.81	10,653.65
Interest accrued and due/and but not due	-	-	-
Unpaid matured debentures and interest accrued thereon	-	-	-
Total Debt	9,187.18	9,889.81	10,653.65
Less : Cash & Cash Equivalents	-	-	-
Net Debt (A)	9,187.18	9,889.81	10,653.65
Equity Share Capital	1,230.00	900.00	500.00
Other Equity	7,106.53	2,135.06	1,766.27
Total Equity (B)	8,336.53	3,035.06	2,266.27
Debt Equity Ratio (A/B)	1.10	3.26	4.70

Categories of Financial  
Instruments Fair Value  
Measurement

Particulars	As at 31 <sup>st</sup> March 2018		As at 31 <sup>st</sup> March 2017		1 <sup>st</sup> April 2016	
	FVPL / FVOCI	Amortised Cost	FVPL / FVOCI	Amortised Cost	FVPL / FVOCI	Amortised Cost
Financial Assets						
Investments	-	330.70	-	1,959.09	-	724.54
Trade Receivables	-	166.76	-	76.37	-	21.33
Cash and cash equivalents	-	9,191.35	-	220.56	-	113.21
Loans & Advances	-	4,414.03	-	4,209.00	-	4,089.23
Other Financial Assets	-	504.57	-	417.83	-	455.07
Total	-	14,607.41	-	6,882.85	-	5,403.39
Financial Liabilities						
Borrowings	-	10,195.07	-	11,617.01	-	12,168.92
Trade Payables	-	1,454.63	-	633.03	-	887.95
Other Financial Liabilities	-	7,424.52	-	7,595.86	-	9,010.34
Total	-	19,074.23	-	19,845.90	-	22,067.21

Note 29:

DISCLOSURE AS PER GUIDANCE NOTE ON ACCOUNTING FOR REAL ESTATE TRANSACTION (REVISED 2012) (INR in lakhs)

Particulars for all projects	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
Project Revenue recognised in the reporting period	11,819.69	10,537.89	9,743.58
Methods used to determine the project revenue	<i>Percentage Completion Method</i>		
Method used to determine the stage of completion of the Project	<i>% of actual cost to estimated cost</i>		
The aggregate amount of cost incurred till date	38,420.46	30,971.64	22,804.47
Advances received (Net of revenue recognition)#	1,332.25	5,697.36	8,398.26
Work-in-Progress & finished goods	13,859.07	17,018.95	18,803.25
Construction Materials at site	72.11	84.40	-
Value of inventories	13,931.18	17,103.35	18,803.25
Unbilled revenue	149.91	-	-
Sundry Debtors	166.76	76.37	21.33

# Includes amount received from customer against projects on which revenue is not recognised till date.

Note 30 :

Disclosure Pursuant To Indian Accounting Standard (Ind-AS) 17 Leases:

The company has entered into cancellable operating leasing arrangements for commercial premises and office premises:

(INR in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
Operating lease expenses recognised in profit and loss account	23.18	18.00

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.1.75 Lakhs in the Profit and Loss Account, the details of which are as under:

Particulars	As at 31st March, 2018	As at 31st March, 2017
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	(1.75)	0.02
Deferred Tax Liabilities (Net)	(1.75)	0.02

Note 32 :

First Time Adoption of Ind-AS

(A) Reconciliation of Equity as previously reported under Previous GAAP and that computed under Ind-AS

(INR in Lakhs)

Particulars	As at 1st April, 2017	As at 31st March, 2016
Equity as per previous GAAP	3,035.06	2,266.27
Adjustment:		
--NIL--	-	-
Equity reported under Ind-AS	3,035.06	2,266.27

The reconciliation of Equity, as per previously reported under Indian GAAP to IND AS is NIL

B) Reconciliation between net profit as previously reported under previous GAAP and Ind-AS for the year ended 31st March, 2017

Particulars	As at 31st March, 2017
Net profit as per previous Indian GAAP	788.27
Reclassification of expenses in respect of retirement benefits	2.73
Other Adjustments	-
Net profit as per Ind AS	791.00
Other Comprehensive income	(2.73)
Total Comprehensive income as per Ind AS	788.27

Note 33 :

First-time adoption of Ind-AS

(a) De-recognition of financial assets and financial liabilities

The Company has applied the de-recognition principles of financial assets and financial liabilities prospectively for transactions occurring on or after 1 April 2016.

(b) Deemed cost for property, plant and equipment, investment property, and intangible assets

The Company has elected to continue with the carrying value of all its property, plant and equipment and Intangible assets recognised as of 1 April 2016 (transition date) measured as per previous GAAP and use that carrying value as its deemed cost as of the transition date.

(c) Investments in partnership firms

In accordance with exemption given in Ind AS 101, the company has recorded investments in partnership firms at deemed cost i.e. previous GAAP carrying amount as on date of transition.

(d) Impairment of financial assets

The Company has applied the impairment requirements of Ind AS – 109 'Financial Instruments' retrospectively; however, as permitted by Ind AS 101, the Company has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date of financial instruments were initially recognised in order to compare it with the credit risk at the transition date.

Note 34 :

Loans and advances, other receivables, debtors and creditors are subject to confirmations and are considered payable /realisable, as the case may be.

Note 35:

The Company is engaged in Real Estate. The operations of the company do not qualify for reporting as business segments as per the criteria set out under Indian accounting standard 108(IND AS-108) on "Operating Segments". The Company is operating in India hence there is no reportable geographic segment. Accordingly no disclosure is required under IND AS-108.

Note 36:

- (a) Gross amount required to be spent by the company during the year is RS. 17.45 lakhs (Previous Year Rs. 12.48 Lakhs)

(b) Amount spent during the year Rs. 17.72 Lakhs (Previous Year Rs. 6.79Lakhs)

Note 37:

The financial statements for the year ended 31<sup>st</sup> March 2018 were approved by the Board of Directors and authorised for issue on 28<sup>th</sup> May 2018.

Note 38:

Previous period figures have been regrouped and reclassified wherever necessary, to confirm with current year's presentation

In terms of our report attached For  
JPL & Associates Chartered Accountants For  
(Firm Registration No. 132748W)

**SD/-**  
Ca Vipul Lathi  
Partner  
Membership No.134897

Place : Nashik

Date : 28th May, 2018

For and on behalf of the Board of Directors

**SD/-**  
**Naresh Karda**  
Chairman & Managing Director  
(DIN - 01741279)

**SD/-**  
Anil Nahata  
Chief Financial Office

**SD/-**  
**Manohar Karda**  
Wholetime Director  
(DIN - 01808564)

**SD/-**  
Mayura Marathe  
Company Secretary

## ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall

For Physical Holding LF No.	For Electronic Form (Demat) NSDL/CDSL DP ID	CLIENT ID	No. of Shares Held

I hereby record my presence at the Annual General Meeting of the Company, being held on Saturday, 29<sup>th</sup> September, 2018 at 11:30 A.M. at The SSK Solitaire Hotels & Banquets- AhilyabaiHolkarMarg, Tidke Colony, Nashik-422002, Maharashtra

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 31.03.2018 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 31.03.2018 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.

**FORM NO. MGT-11**  
**PROXY FORM**

*[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies Management and Administration Rules, 2014 ]*

Name of the Member(s):	
Registered address:	
E-mail Id:	
Folio No. /Client Id & DP. Id:	

*I/We.....being a member / members holding.....shares of KARDA CONSTRUCTION LIMITED hereby appoint:*

1	Name:	Address:
	Email ID:	Signature:
2	Name:	Address:
	Email ID:	Signature:
3	Name:	Address:
	Email ID:	Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the company, to be held on 29<sup>th</sup> September, 2018 at 11:30A.M. at The SSK Solitaire Hotels & Banquets- Ahilyabai Holkar Marg, Tidke Colony, Nashik-422002, Maharashtra and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution
<b>Ordinary Business</b>	
1.	Consideration of financial statements for the year 2017-18 and the reports of the Board of Directors and the Auditors thereon.
2.	Appointment Of Director In Place Of Those Retiring By Rotation
3.	Appointment Of The Auditors And Fixing Of Remuneration
<b>Special Business</b>	
4.	Regularisation Of Additional Director Mr. Sandeep Ravindra Shah (Din: 06402659) by Appointing him as Non Executive Independent Director
5.	Approve The Remuneration Of The Cost Auditors For The Financial Year 2018-19 & To Consider And If Thought Fit, To Pass, With Or Without Modification(S), The Following Resolution As Ordinary Resolution:
6.	Authority to borrow u/s 180(1)(a) and 180(1)(c) of the companies act, 2013
7.	Approval for granting loan and investments by the company

Signed this \_\_\_\_ day of \_\_, 2018  
Signature(s) of the Shareholder(s).....  
Signature of Proxy Holder.....

Notes: 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.



**MGT-12  
BALLOT FORM**

Name(s) of Member(s) : (In BLOCK/CAPITAL LETTERS)	
Registered Address :	
DP ID / Client ID* or Registered Folio No :	
No. of equity shares held :	

\*Applicable in case of Share held in electronic form

I/We hereby exercise my/our vote in respect of the following resolution(s) as set out in the Notice of 11<sup>th</sup> Annual General Meeting of Company scheduled to be held on 29<sup>th</sup> September, 2018 at 11:30 A.M. at The SSK Solitaire Hotels & Banquets- AhilyabaiHolkarMarg, Tidke Colony, Nashik-422002, Maharashtra, which is proposed to be placed for consideration of members at the aforesaid Annual General Meeting of the Company, by conveying my/our assent and/or dissent to the said Resolution(s) in the relevant box as stated here in below:

Resolution No.	Resolution	No. of Equity Share(s) held	I/We assent to the resolution (For)*	I/We dissent to the resolution (Against)*
Ordinary Businesses				
1.	Consideration of financial Statements for the Financial year 2017-18 and the reports of the Board of Directors and Auditors thereon.			
2.	Appointment of Director in place of those retiring by rotation.			
3.	Appointment of Auditors and fixing their remuneration.			
Special Businesses				
4.	Regularization of Additional Director Mr. SandeepRavindra Shah (DIN:06402659) by appointing him as Non Executive Independent Director.			
5.	Approve The Remuneration Of The Cost Auditors For The Financial Year 2018-19 & To Consider And If Thought Fit, To Pass, With Or Without Modification(S), The Following Resolution As Ordinary Resolution			
6.	Authority to borrow u/s 180(1)(a) and 180(1)(c) of the companies act, 2013			
7.	Approval for granting loan and investments by the company			

\*Please put a tick mark (✓) in appropriate column against the resolution(s) indicated above. In case of member/proxy wishes his/her vote to be used differently, he/she should indicate the number of shares under the columns 'For' and/or 'Against'.

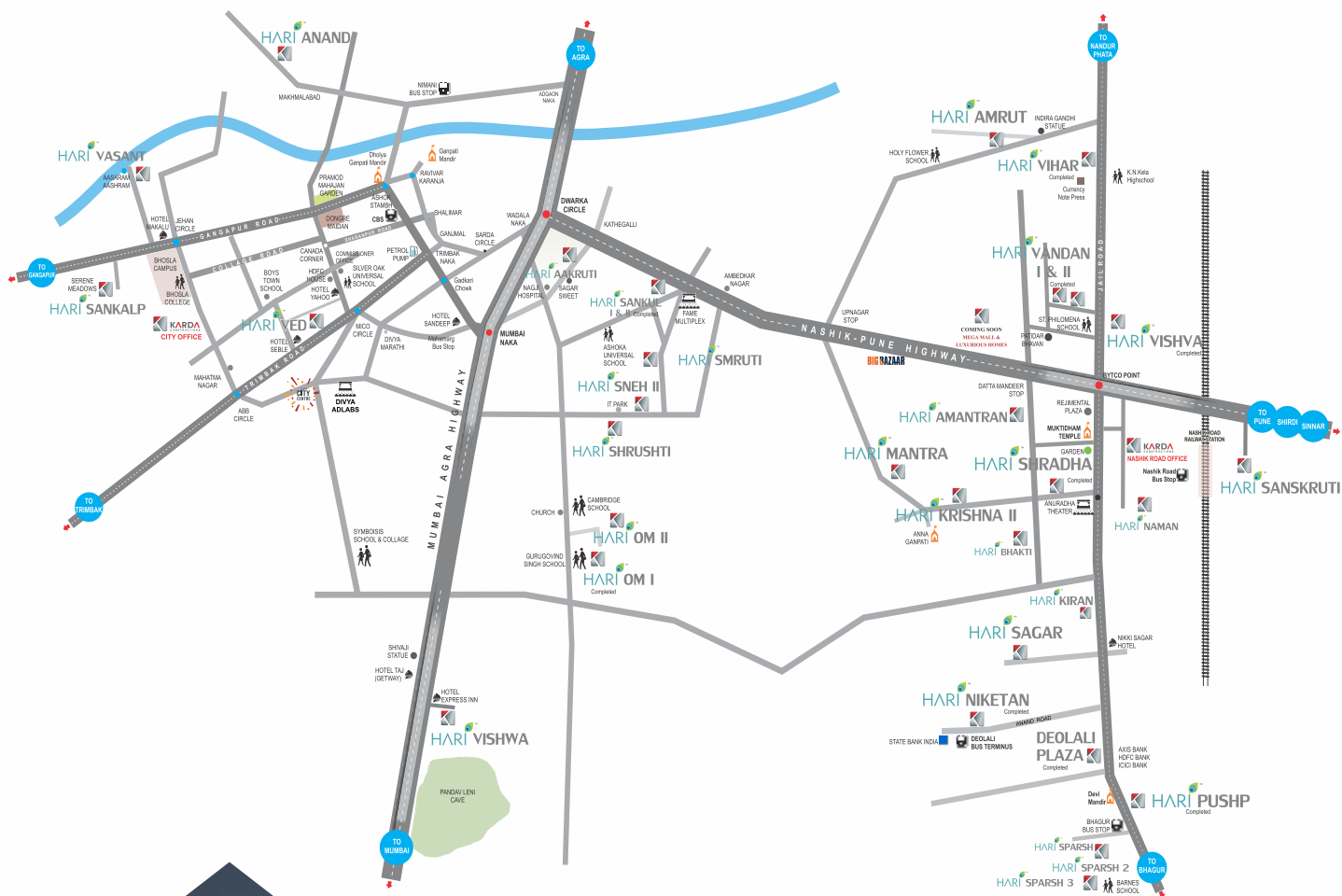
Place:  
Date:

Signature of Member

## ROUTE MAP TOWARDS THE VENUE



## Projects Location Map



**KARDA**™  
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KARDA CONSTRUCTIONS LTD

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