



ANNUAL REPORT 2017-2018



KARDATM
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. Vasantji 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.