

Offering Memorandum of KBC Global
Limited, India for Issuance of 950 Foreign
Currency Convertible Bond (FCCB) at
Price \$100,000 With Coupon 1.5% maturity
at 10th December 2025

KBC GLOBAL Ltd.

Date: 6th January 2023

**KBC Global Limited**

Offering 950 Unsecured Foreign Currency Convertible Bonds of USD 95,000,000.00 (Ninety Five Million United States Dollars) Coupon @ 1.50%, Issue Price of each FCCB is US\$100,000.00 (One Hundred Thousand United States Dollars) at 15% Discount of issue price due in 10th December 2025

KBC Global Limited (previously known as Karda Constructions Limited) a public limited Company, incorporated in India under the Companies Act, 1956 (the “Issuer”), is hereby offering (the “Offering”) US\$95,000,000.00 (Ninety Five Million United States Dollars) aggregate principal amount at 1.50 % coupon, 950 Unsecured Foreign Currency Convertible Bonds at 15% discount of issue price with maturity tenure of 37 months due in 2025 (the “Bonds”).

Unless previously converted, redeemed, repurchased or cancelled, the Bonds are convertible on or after 10th December, 2025 (the “**Maturity Date**”) by holders of the Bonds (the “**Bondholders**”) into the Company’s newly issued, ordinary shares of par value Rs. 1.00 per share (the “**Shares**”) on the terms described herein at the option of the Bondholder, at a Conversion Price as provided herein. The Conversion Price is subject to adjustment in certain circumstances. For the terms of the conversion rights, see “Terms and Conditions of the Bonds — Conversion”.

The Company, subject to Applicable Laws regulating issue of FCCBs in India, may also redeem the Bonds in whole at any time at the Company’s option at the Early Redemption Amount together with accrued and unpaid interest in the event of certain changes relating to taxation in the Republic of India (“**India**”). Unless previously converted, redeemed, repurchased or cancelled, the Bonds will be redeemed on 10th December 2025 at 100% of their principal amount. The Company will make an offer to repurchase any outstanding Bonds at the Early Redemption Amount together with accrued and unpaid interest upon the occurrence of a Change of Control (as defined herein), a Delisting (as defined herein) of the Shares from the BSE Limited (the “**BSE**”) or National Stock Exchange India Limited (“**NSE**”) or a Non-Permitted Conversion Price Adjustment Event (as defined herein). See “**Terms and Conditions of the Bonds**”. Any redemption prior to the Maturity Date, however, whether at the option of the Company or the Bondholders, is subject to prior receipt of approval from the Reserve Bank of India (the “**RBI**”).

The Bonds will be represented by a single Global Certificate (as defined herein) which will be issued in the name of Global Focus Fund Ltd. and deposited with SBM Fund Services Ltd, Mauritius. Except in the limited circumstances described in the Global Certificate, owners of interests in Bonds will not be entitled to receive physical delivery of Certificates. The Bonds are not issuable in bearer form.

The Bonds and the Shares to be issued upon conversion of the Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”). The Bonds are being offered and sold in offshore transactions outside the United States in reliance on Regulation S under the Securities Act (“**Regulation S**”). Subject to certain exceptions, the Bonds may not be offered, sold, or delivered within the United States (as defined in Regulation S). For a description of certain restrictions on offers, sales and transfers of the Bonds, see “*Transfer Restriction*”. The Bonds may not be offered or sold directly or indirectly in India or to, or for the account or benefit of, any resident of India, except in certain limited circumstances.

The Bonds will constitute the Company’s direct, unconditional, unsubordinated and unsecured obligations and will at all times rank pari passu and without any preference or priority among themselves. The Company’s payment obligations under the Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law, at all times rank at least equally with all of its other present and future direct, unconditional, unsubordinated, and unsecured obligations.

Where Bonds are cancelled and converted into GDRs, the GDRs shall be GDRs without any voting rights until completion of cancellation of the GDRs and their conversion into the Equity Shares of the Issuer.

Bonds

Application is being made and approval has been sought for the listing of the Bonds on the AFRINEX Securities List of the AFRINEX (the “**Exchange**”). Such approval will be granted when the Bonds have been admitted to the AFRINEX Securities List. The AFRINEX assumes no responsibility for the correctness of any statements made, opinions expressed or reports contained in this Offering Memorandum. Approval for the listing of the Bonds on the AFRINEX are not to be taken as an indication of the merits of the Bonds or the Guarantees, or of the Issuer, the Guarantor or their respective subsidiaries or associated companies (if any)..

This Offering Memorandum has not been and will not be filed, registered, produced, published or made available as an offer document (whether as a prospectus in respect of a public offer or information memorandum or private placement offer cum application letter or other offering material in respect of any private placement, under the Indian Companies Act, 2013, as amended or any other applicable Indian laws) with the Registrar of Companies in India, the Securities and Exchange Board of India, the Indian stock exchanges or any other statutory or regulatory body of like nature in India save and except for any information from any part of this Offering Memorandum which is (i) mandatorily required to be disclosed or filed in India under any applicable Indian laws, including but not limited to, the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015, as amended, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended or (ii) pursuant to the sanction of any regulatory and adjudicatory body in India.

AFRINEX takes no responsibility for the contents of this Offering Memorandum, makes no representation as to its accuracy or completeness and expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of the contents of this document

Investing in the Bonds involves a high degree of risk. See “*Risk Factors*” beginning on page 35.

For additional information about eligible offerees and transfer restrictions, see “*Important Information for Investors*” and “*Notice to Investors*.”

Delivery of the Bonds in book-entry form only will be made on or about the Closing Date.

Lead Merchant Banker;

GYR Capital Advisors Private Limited
428, Gala Empire, Drive In Rd, near JB Tower
Nilmani Society, Thaltej, Ahmedabad, Gujarat 380054, India

You should rely only on the information contained in this Offering Memorandum. None of the Issuer, or the Lead Manager have authorized anyone to provide you with information that is different from the information contained herein. None of the Issuer, and the Lead Manager are making an offer of these Bonds in any jurisdiction where such an offer is not permitted. You should not assume that the information contained in this Offering Memorandum is accurate as of any date other than the date on the front of this Offering Memorandum. Our business or financial condition and other information contained in this Offering Memorandum may change after that date.

The date of this Offering Memorandum is 6th January 2023.

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IMPORTANT INFORMATION FOR INVESTORS

The Company accepts full responsibility for the information contained in this document (the “Offering Memorandum”) and confirms that this Offering Memorandum contains the information that potential investors and their professional advisors would reasonably require taking into account market practice. To the best of the Company’s knowledge, all reasonable care has been taken to ensure that the information contained in this Offering Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information. You acknowledge and agree that no representation or warranty, express or implied, is made by AFRINEX , Aries Capital Limited (the “**Lead Manager**”), GYR Capital Advisors Private Limited (the “**Lead Merchant Banker**”), Accurate Securities and Registry Private Limited (the “**Registrar**”), any of its Agents or any of their respective affiliates or legal advisors as to the accuracy or completeness of the information set out herein, and nothing contained in this Offering Memorandum may be relied upon as a promise or representation by the Lead Manager, the Trustee or any of the Agents or their respective affiliates and legal advisors as to past or future events.

Neither AFRINEX , the Registrar nor any of the Agents or the Lead Manager have independently verified the information contained in this Offering Memorandum. No representation or warranty, express or implied, is made by AFRINEX , the Registrar or any of the Agents or the Lead Manager, or any of their respective affiliates or legal advisors as to the accuracy or completeness of such information, and nothing contained in this Offering Memorandum (including its schedules) is, or shall be relied upon as, a promise or representation by AFRINEX , the Registrar or the Agents or the Lead Manager, or any of their respective affiliates or legal advisors regarding, and no responsibility or liability is accepted by any of them as to, the accuracy or completeness of the information contained in this Offering Memorandum or any other information provided by the Company in connection with the issue of the Bonds or Shares. This Offering Memorandum should not be considered as a recommendation by the Registrar or any of the Agents or the Lead Manager that any recipient of this Offering Memorandum should purchase the Bonds.

Furthermore, AFRINEX, the Registrar, the Agents and the Lead Manager or any of their respective affiliates or legal advisors disclaim any liability from any claim, demand or action arising against the Company, the Trustee, any of the Agents and the Lead Manager and from any loss suffered or incurred, whether known or unknown, that is in any way connected with this document.

This Offering Memorandum does not constitute a prospectus for the purposes of or any other provision of or rule under the U.S. Securities Act.

THE BONDS EVIDENCED HEREBY (THE “BONDS”) AND THE SHARES OF KBC GLOBAL LIMITED (THE “ISSUER”) ISSUABLE UPON CONVERSION OF THE BONDS (THE “SHARES”) HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND PRIOR TO THE EXPIRATION OF THE 40-DAY PERIOD BEGINNING ON THE LATER OF THE COMMENCEMENT OF THE BOND OFFERING AND THE CLOSING OF THE BOND OFFERING (THE “DISTRIBUTION COMPLIANCE PERIOD”), THE BONDS AND THE SHARES ISSUABLE UPON CONVERSION OF THE BONDS MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF U.S. PERSONS EXCEPT IN CERTAIN TRANSACTIONS OR EXCEPT IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 AND RULE 904 OF REGULATION S UNDER THE SECURITIES ACT.

In making an investment decision regarding the Bonds offered hereby, you must rely on your own examination of the Issuer and the terms of the Offering, including the merits and risks involved. You should base your decision to invest in the Bonds only on the information contained in this Offering Memorandum. Neither we nor the Lead Manager have authorized any other person to provide you with information that is different from the information contained herein. If anyone provides you with different or inconsistent information, you should not rely on it. You should assume that the information appearing in this Offering Memorandum is accurate as of the date on the front cover of this Offering Memorandum only. Our business, financial condition, results of operations and the information set forth in this Offering Memorandum may have changed since that date. This Offering Memorandum is based on information provided by us and other sources believed by us to be reliable. The Lead Manager is not responsible for, and is not making any representation or warranty to you concerning, our future performance or the accuracy or completeness of this Offering Memorandum.

This Offering Memorandum does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose.

Accordingly, the Bonds may not be offered or sold, directly or indirectly, and this Offering Memorandum may not be distributed, in any jurisdiction except in accordance with the legal requirements applicable in such jurisdiction. You must comply with all laws applicable in any jurisdiction in which you buy, offer, or sell the Bonds or possess or distribute this Offering Memorandum, and you must obtain all applicable consents and approvals; neither we nor the Lead Manager shall have any responsibility for any of the foregoing legal requirements. See ***“Notice to Investors and Transfer Restrictions”***

You should not consider any information in this Offering Memorandum to be investment, or legal or tax advice. You should consult your own counsel, accountant, and other advisors for investment, legal, tax, business, financial and related advice regarding purchasing the Bonds. Neither we nor the Lead Manager is making any representation to any offeree or purchaser of the Bonds regarding the legality of an investment in the Bonds by such offeree or purchaser under appropriate investment or similar laws. This Offering Memorandum is to be used only for the purposes for which it has been published.

By accepting delivery of this Offering Memorandum, you agree to the foregoing restrictions, not to use any information herein for any purpose other than considering an investment in the Bonds. You also acknowledge that you have had an opportunity to request from us for review, and that you have received, all additional information you deem necessary to verify the accuracy and completeness of the information contained in this Offering Memorandum.

We obtained the market data used in this Offering Memorandum from internal surveys, industry sources and currently available information. Although we believe that our sources are reliable, you should keep in mind that we have not independently verified information we have obtained from industry and governmental sources and that information from our internal surveys has not been verified by any independent sources. See ***“Market and Industry Data.”***

The contents of our website (<https://www.kardaconstruction.com/>) do not form any part of this Offering Memorandum.

Afrinex Limited, Mauritius takes no responsibility for the contents of this Offering Memorandum, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss arising from or in reliance upon the whole or any part of the contents of this Offering Memorandum.

We may withdraw the Offering at any time, and we reserve the right to reject any offer to purchase the Bonds in whole or in part and to sell to any prospective investor less than the full amount of the Bonds sought by such investor. The Lead Manager and certain related entities may acquire a portion of the Bonds for their own accounts.

The Bonds have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the Offering or the accuracy or adequacy of this Offering Memorandum. Any representation to the contrary is a criminal offense in the United States.

The Bonds are being offered and sold outside the United States in offshore transactions in reliance on Regulation S For a description of these and certain other restrictions on offers, sales and transfers of the Bonds and the distribution of this Offering Memorandum, see ***“Notice to Investors”*** and ***“Transfer Restrictions”***

The Company has undertaken to apply to have the Shares issuable upon conversion of the Bonds approved for listing on the BSE. There can be no assurance that such Shares will in fact be admitted to listing on the BSE and once listed will continue to be listed.

The Shares of the Company are listed on the **“BSE”** and **“NSE”** (together referred to as the **“Indian Stock Exchanges”**). The closing price of the Company’s outstanding Shares on the BSE as on November 7th, 2022 was INR 2.60 and on the NSE as on November 7th, 2022 was INR 2.60 per Share. The Company has received in-principle approvals from the Indian Stock Exchanges for listing the Shares issued upon conversion of the Bonds.

The distribution of this Offering Memorandum and the offer and sale of the Bonds may be restricted by law in certain jurisdictions. You must inform yourself about, and observe, any such restrictions. You must comply with all applicable laws and regulations in force in any jurisdiction in which you purchase, offer, or sell the Bonds or possess or distribute this Offering Memorandum and must obtain any consent, approval or permission required for your purchase, offer or sale of the Bonds under the laws and regulations in force in any jurisdiction to which you are subject or in which you make such purchases, offers or sales. We are not, and the Lead Manager is not, making an offer to sell the Bonds or a solicitation of an offer to buy any of the Bonds to any person in any jurisdiction except where such an offer or solicitation is permitted.

The information set forth in relation to sections of this Offering Memorandum describing clearing and settlement arrangements, including ***“Terms and Conditions of the Bonds”*** and ***“Book Entry, Delivery and Form,”*** is subject to any

change in or reinterpretation of the rules, regulations, and procedures of Afrinex Clearing House Limited currently in effect. While we accept responsibility for accurately summarizing the information concerning Afrinex Clearing House Limited, we accept no further responsibility in respect of such information.

Any potential investor in, and purchaser of, the Bonds should pay particular attention to the fact that we are governed in India by a legal and regulatory environment which in some material respects may be different from that which prevails in the United Kingdom, United States, Luxembourg, Mauritius and other countries. Prior to making an investment decision, prospective investors and purchasers should carefully consider all of the information contained in this Offering Memorandum (including the financial statements).

For a discussion of certain factors that should be considered prior to making an investment in Bonds, see the section headed “*Risk Factors*” beginning on page 35.

NOTICE TO ALL PROSPECTIVE INVESTORS

THE BONDS SHALL NOT BE OFFERED TO THE PUBLIC WITHIN ANY JURISDICTION. BY ACCEPTING DELIVERY OF THIS OFFERING MEMORANDUM, YOU AGREE NOT TO OFFER, SELL, RESELL, TRANSFER OR DELIVER, DIRECTLY OR INDIRECTLY, ANY BONDS TO THE PUBLIC.

NOTICE TO U.S. INVESTORS

The Bonds and the shares have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Lead Manager has represented that it has not offered or sold, and agreed that it will not offer or sell, any Bonds constituting part of its allotment except in accordance with Regulation S under the Securities Act. Accordingly, neither the Lead Manager, nor its affiliates, nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Bonds. The Bonds may be offered and sold to non-U.S. persons outside the United States in reliance on Rule 903 or Rule 904 of Regulation S. For a description of certain further restrictions on the resale or transfer of the Bonds, see “Transfer Restriction.”

The Bonds described in this Offering Memorandum have not been registered with, recommended by, or approved by the SEC, any state securities commission in the United States or any other securities commission or regulatory authority, nor has the SEC, any state securities commission in the United States or any other such securities commission or authority passed upon the accuracy or adequacy of this Offering Memorandum. Any representation to the contrary is a criminal offense.

In addition, until 40 days after the later of the commencement of the offering of the Bonds and the latest closing date of the issue of the Bonds, an offer or sale of Bonds or the Shares within the United States or to any U.S. person by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Terms used in this paragraph have the meaning given to them by Regulation S under the Securities Act.

NOTICE TO UK INVESTORS

This Offering Memorandum has been prepared on the basis that any offer of the Bonds referred to herein in the United Kingdom (“UK”) will be made pursuant to an exemption under Regulation (EU) 2017/1129 (as amended by The Prospectus (Amendment etc.) (EU Exit) Regulations 2019) as it forms part of domestic law by virtue of the EUWA (the “**UK Prospectus Regulation**”) from the requirement to publish a prospectus for offers of the Bonds. Accordingly, any person making or intending to make an offer in the UK of the Bonds which are the subject of the offering contemplated in this Offering Memorandum may only do so in circumstances in which no obligation arises for the Issuer or the Lead Manager to publish a prospectus pursuant to Article 3 of the UK Prospectus Regulation, in each case, in relation to such offer. Neither the Issuer nor the Lead Manager have authorized, nor do they authorize, the making of any offer of the Bonds in circumstances in which an obligation arises for the Issuer or any of the Lead Manager to publish a prospectus for such offer.

Prohibition of sales to UK retail investors: The Bonds are not intended to be offered, sold, or otherwise made available to and should not be offered, sold, or otherwise made available to any retail investor in the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**EUWA**”) or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the “**UK Prospectus Regulation**”). Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Bonds or otherwise making them available to retail investors in the UK has been prepared and, therefore, offering or selling the Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

NOTICE TO MAURITIUS INVESTORS

Prohibition of sales to Mauritius retail investors: The Bonds are not intended to be offered, sold or otherwise made available to, and with effect from such date, should not be offered, sold or otherwise made available to any retail investor in Mauritius. For these purposes a “retail investor” is as defined in the Securities Act 2005, as applicable in Mauritius.

Financial Promotion Order

This Offering Memorandum is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**Financial Promotion Order**”), (ii) are persons falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations etc.”) of the Financial Promotion Order, (iii) are outside the UK, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) in connection with the issue or sale of any Bonds may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as “relevant persons”). This Offering Memorandum is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Offering Memorandum relates is available only to relevant persons and will be engaged in only with relevant persons. Relevant persons should note that all, or most, of the protections offered by the UK regulatory system will not apply to an investment in the Bonds and that compensation will not be available under the UK Financial Services Compensation Scheme.

This Offering Memorandum or any material relating to the Bonds has not been and will not be circulated or distributed to any prospective investor who is not a resident of an FATF or IOSCO compliant jurisdiction, and the Bonds will not be offered or sold or transferred and have not been offered or sold or transferred to any person who is not a resident of an FATF or IOSCO compliant jurisdiction.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Financial Information

This Offering Memorandum includes and primarily discusses the historical standalone financial information of the Issuer and its subsidiaries. KBC Global Limited is a public limited company incorporated under the laws of India, with its corporate seat in 2nd Floor, Gulmohar Status, Above Business Bank, Samarth Nagar, Nashik – 422 005 and is registered with the Registrar of Companies, [Mumbai], India.

In this Offering Circular, unless otherwise specified or the context otherwise indicates or implies, references to “you”, “your”, “purchaser”, “subscriber”, “recipient”, “investors” and “potential investor” are to the investors pursuant to the Issue. In this Offering Circular, references to (a) “Rs.”, “Rupees”, “INR”, “Indian Rupees” or “₹” are to the legal currency of the Republic of India and (b) “USD”, “US\$” and “U.S. Dollars” are to the legal currency of the United States. All references herein to the “U.S.” or the “United States” are to the United States of America and its territories and possessions and all references to “India” are to the Republic of India and its territories and possessions. All references herein to the “Central Government”, “Government”, “Government of India” or “State Government” are to the Government of India, central or state, as applicable. All the numbers in this document, have been presented in million or in whole numbers where the numbers have been too small to present in million, unless stated otherwise

The financial year of our Company commences on 1 April of each calendar year and ends on 31 March of the following calendar year, and, unless otherwise specified or if the context requires otherwise. The terms “fiscal”, “fiscal year” or “Fiscal Year”, refer to the 12 month period ending, or as of 31 March of that year (as the case may be).

Our Company publishes its financial statements in Indian Rupees

Historical Financial Information

With respect to KBC Global Limited, this Offering Memorandum includes:

the audited standalone financial statements of the Company as of and for the year ended March 31, 2020 (the “*2020 Standalone Financial Statements*”);

the audited standalone financial statements of the Company as of and for the year ended March 31, 2021 (the “*2021 Standalone Financial Statements*”);

the audited standalone financial statements of the Company as of and for the year ended March 31, 2022 (the “*2022 Standalone Financial Statements*”); and

the unaudited standalone interim financial statements of the Company as of and for the three months ended June 30, 2022 (the “*2022 Interim standalone Financial Statements*”) three months ended June 30, 2021 (the “*2021 Interim standalone Financial Statements*”) and three months ended June 30, 2020 (“*2021 Interim standalone Financial Statements*”)

The 2022 Interim standalone Financial Statements, 2021 Interim standalone Financial Statements, 2020 Interim standalone Financial Statements along with the 2022 Standalone Financial Statements, 2021 Standalone Financial Statements and 2020 Standalone Financial Statements, is together referred to as the “Standalone Financial Statements”.

In addition, unless otherwise stated herein, we have derived the unaudited Standalone financial information as of and for the six months ended September 30, 2022, included in this Offering Memorandum from the unaudited condensed Standalone interim financial statements of the Company as of and for the three months ended June 30, 2022, June 2021 and June 2020 (collectively referred to as the “*Interim Standalone Financial Statements*”), which have been included in this Offering Memorandum.

The 2020 Standalone Financial Statements, 2021 Standalone Financial Statements and 2022 Standalone Financial Statements have been prepared in accordance with Indian Accounting Standards (IND-AS) and as notified under section 133 of the Indian Companies Act 2013.. The preparation of financial statements in accordance with Indian Accounting Standards (IND-AS) requires us to use certain critical accounting estimates. It also requires our board of directors to exercise its judgment in the process of applying our accounting policies.

Ind AS differs from accounting principles with which prospective investors may be familiar in other countries,

including IFRS and US GAAP and the reconciliation of the financial information to other accounting principles has not been provided. No attempt has been made to explain those differences or quantify their impact on the financial data included in this Offering Memorandum and investors should consult their own advisors regarding such differences and their impact on our Company's financial data. The degree to which the financial information included in this Offering Memorandum will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2022 ("**LODR Regulations**").. Any reliance by persons not familiar with Ind AS, the Companies Act, 2013 the SEBI LODR Regulations and practices on the financial disclosures presented in this Offering Memorandum should accordingly be limited.

The Audited Standalone Financial Statements should be read along with the respective audit reports, and the Unaudited Interim Standalone Financial Statements should be read along with the limited review report issued thereon.

The Financial Statements included in this Offering Memorandum were prepared in English.

This Offering Memorandum includes certain unaudited standalone financial information for the six months ended September 30, 2022. The unaudited standalone financial information has been prepared for illustrative purposes only and is not necessarily representative of our results of operations for any future period or our financial condition at any future date. This information has not been audited by any auditors.

Pursuant to Indian regulatory requirements, "Annual Report" is required to accompany the Standalone Financial Statements, therefore, such reports are included in this Offering Memorandum only in order to comply with such regulatory requirements. Investors are strongly cautioned that the Annual Report contain information as of various historical dates, non-financial information, as well as Management's views on the outlook and do not contain a current description of our business, affairs, or results. The information contained in the Annual Report has neither been audited nor prepared for the specific purpose of the Offering. Accordingly, the Annual Reports should be read together with the other sections of this Offering Memorandum, and particularly "*Risk Factors*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*." Any information contained in the Annual Report is deemed to be modified or superseded by any information contained elsewhere in this Offering Memorandum that is subsequent to or inconsistent with it. Furthermore, the Annual Report include certain forward-looking statements that are subject to inherent uncertainty (see "*Forward-Looking Statements*"). Accordingly, investors are urged to rely only upon the information in this Offering Memorandum rather than upon the information contained in such Annual Report.

References to "Revenue" throughout this offering memorandum are used interchangeably with and refer to the same figures included in the "Net Sales" line item within the standalone income statement data from our 2022 Standalone Financial Statements.

Other Information

Certain data contained in this Offering Memorandum, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances, the sum of the numbers in a column or a row in tables may not conform exactly to the total figure given for that column or row or the sum of certain numbers presented as a percentage may not conform to the total percentage given.

Sharp Aarth & Co. are registered with the Institute of Chartered Accountants of India under number FRN: 132748W and has its registered address at 68, 6th Floor Business Bay, Shri Hari Kute Marg, Tidke Colony, Nashik, Maharashtra – 422002.

FORWARD-LOOKING STATEMENTS

This Offering Memorandum contains statements under the headings “*Summary*,” “*Risk Factors*,” “*Business*,” “*Industry—Construction and developments of integrated township, projects and sites*,” “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and in other sections that are, or may be deemed to be, forward-looking statements within the meaning of the securities laws of certain applicable jurisdictions. These forward-looking statements include, but are not limited to, all statements other than statements of historical fact contained in this Offering Memorandum, including, without limitation, those regarding our future financial position and results of operations, our strategy, plans, objectives, goals and targets, future developments in the markets in which we participate or are seeking to participate or anticipated regulatory changes in the markets in which we operate or intend to operate. In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the words “aim,” “believe,” “estimate,” “guidance,” “forecast,” “project,” “expect,” “anticipate,” “intend,” “target,” “may,” “will,” “plan,” “predict,” “assume,” “shall,” “continue,” “potential,” “could” or “should” or, in each case, their negative or other variations or comparable terminology or by discussions of strategies, plans, objectives, targets, goals, future events or intentions.

By their nature, forward-looking statements involve known and unknown risks, uncertainties, and other factors because they relate to events and depend on circumstances that may or may not occur in the future. The Issuer cautions you that forward-looking statements are not guarantees of future performance and are based on numerous assumptions and that our actual results of operations, including our financial condition and liquidity and the development of the industries in which we operate, may differ materially from (and be more negative than) those made in, or implied by, the forward-looking statements contained in this Offering Memorandum. You should not place undue reliance on these forward-looking statements.

In addition, even if our results of operations, including our financial condition and liquidity and the development of the industry in which we operate, are consistent with the forward-looking statements contained in this Offering Memorandum, those results or developments may not be indicative of results or developments in subsequent periods. Important risks, uncertainties and other factors that could cause these differences include, but are not limited to:

- Changes in laws and regulations relating to the sectors/areas in which we operate;
- Inability to identify the new projects may adversely affect the operations, finances and profitability of the Company
- Uncertainty regarding the housing market, real estate prices, economic conditions and other factors beyond our control
- Inability to identify or effectively respond to consumer needs, expectations or trends in a timely manner;
- Our ability to successfully implement our growth strategy and expansion plans, and to successfully launch and implement various projects
- Our failure to keep pace with rapid changes in technology;
- Our ability to meet our further capital expenditure requirements;
- Fluctuations in operating costs;
- Our ability to attract and retain qualified personnel;
- Conflict of Interest with affiliated companies, the promoter group and other related parties
- Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries;
- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Changes in government policies and regulatory actions that apply to or affect our business.
- The performance of the financial markets in India and globally;
- The occurrence of natural disasters or calamities;
- risks relating to the FCCB; and
- other factors discussed in more detail under the heading “*Risk Factors*.”

These risks and others described under the heading “*Risk Factors*” are not exhaustive. Other sections of this Offering Memorandum describe additional factors that could adversely affect our results of operations, financial condition, liquidity, and the development of the industries in which we operate. New risks can emerge from time to time, and it is not possible for us to predict all such risks, nor can we assess the impact of all such risks on our business or the extent to which any risks, or combination of risks and other factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, you should not rely on forward-looking statements as a prediction of actual results.

Any forward-looking statements are only made as of the date of this Offering Memorandum, and we do not intend, and do not assume any obligation, to update forward-looking statements set forth in this Offering Memorandum. You should interpret all subsequent written or oral forward-looking statements attributable to us or to persons acting on our behalf as being qualified by the cautionary statements in this Offering Memorandum. As a result, you should not place undue reliance on these forward-looking statements.

DEFINITIONS AND ABBREVIATION

In this Offering Memorandum the following expressions have the following meanings, unless the context otherwise requires or unless it is otherwise specifically provided

- “Bonds” and “Convertible Bonds” and “Foreign Currency Convertible Bonds” refers to US\$100,000 at 1.50% Coupon Unsecured Convertible Bonds due 2025 issued by KBC;
- “Company” “KBC,” “Issuer,” “group,” “Group,” “we,” “us” and “our” refer to the Issuer and its Standalone subsidiaries, except where the context otherwise requires;
- “Trust Deed” refers to any agreement between, inter alias, the issuer and SBM Fund Services Ltd, Mauritius
- “Crore” refers to the numerical figure where one crore is equal to 10,000,000.
- “Convertible Bonds Deed” refers to the agreement governing the Convertible Bonds dated 28th November 2022 between, *inter alios*, the Issuer and SBM Fund Services Ltd., Mauritius.
- “European Economic Area” or “EEA” refers to the trading area established by the European Economic Area Agreement of January 1, 1994, currently comprising the Member States of the European Union, Norway, Iceland, and Liechtenstein;
- “European Union” or “EU” refers to the European economic and political union;
- “IND-AS” refers to the Indian Accounting Standards as adopted by India;
- “ISA” refers to International Standards of Auditing;
- “Issue Date” means November 10th, 2022 being the date on which the Bonds offered hereby are issued ;
- “Issuer” refers to KBC Global Limited;
- “Lakh” refers to Indian currency to define a Hundred Thousand
- “Lien” refers to a right to keep possession of property belonging to another person until a debt owed by that person is discharged.
- “AFRINEX” refers to AFRINEX Limited.
- “Member State” refers to a member state of the European Union;
- “OECD” refers to the Organisation for Economic Co-operation and Development;
- “Offering” refers to the offering of the Bonds by the Issuer and the application of the net proceeds therefrom in the manner set forth herein under the heading “Use of Proceeds”;
- *Optional FCCBs* Same class additional FCCBs issued on the terms and conditions of the offering set forth in this Offering Memorandum.
- “Qualified Institutional Buyer” or “QIB” has the meaning ascribed to it under Rule 144A;
- “Refinancing” refers to repayment in full, at maturity, and cancellation of the Convertible Bonds;
- “Regulation S” refers to Regulation S as promulgated under the U.S. Securities Act;
- “Registrar” refers to Accurate Securities and Registry Private Limited;
- *Rule 144A* refers to Rule 144A as promulgated under the U.S. Securities Act;
- “SEC” refers to the U.S. Securities and Exchange Commission;
- “Transactions” refers to the Offering and the Refinancing;
- “United States,” “U.S.” or “US” refers to the United States of America and its territories and possessions;
- “U.S. Exchange Act” refers to the U.S. Securities Exchange Act of 1934, as amended, or any successor statute, and the rules and regulations promulgated by the SEC thereunder;
- “U.S. Securities Act” refers to the U.S. Securities Act of 1933, as amended, or any successor statute, and the rules and regulations promulgated by the SEC thereunder.
- “Mauritius” refers to the Republic of Mauritius.
- “ACHL” refers to Afrinex Clearing House Ltd., Mauritius.

GLOSSARY OF INDUSTRY TERMS

BIC	Business Identifier Code
BSE	Bombay Stock Exchange
CAGR	Compound Annual Growth Rate
CBD	Central Business District
CBDT	Central Board of Direct Taxes
CBEC	Central Board of Customs and Excise
Competition Act	The Competition Act, 2002
Convertible Bonds	A convertible bond is a fixed-income corporate debt security that yields interest payments, but can be converted into a predetermined number of common stock or equity shares
Council	Micro and Small Enterprises Facilitation Council
CSR	Corporate social responsibility
DIPP	Department of Industrial Policy and Promotion
DTAA	Double Tax Avoidance Agreement
EBITDA	Earnings Before Interest, Taxes, Depreciation, and Amortization
EIB	European Investment Bank
EPF Act	The Employees Provident Funds and Miscellaneous Provisions Act, 1952
Equity Offering	An equity offering is a public sale of shares of a Company for the purpose of raising capital.
ESI Act	The Employees State Insurance Act, 1948
EU	European Union
Euro MTF Market	Created in 2005, the Euro MTF was the first Multilateral Trading Facility in Europe as defined under MiFID. Well ahead of the directive implementation in 2007, it combined the listing and trading activities for the very first time in the history of the Luxembourg Stock Exchange (LuxSE).
EUWA	European Union (Withdrawal) Act, 2018
EXIM	Export-Import
FCCBs	Foreign Currency Convertible Bonds
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999
FII Regulations	Bonds and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
FIIA	Foreign Investment Implementation Authority
FIIs	Foreign Institutional Investors
FSMA	Financial Services and Markets Act 2000
FVCI	Foreign Venture Capital Investors
FY	Financial Year
GAAP	Generally Accepted Accounting Principles Commonly-followed accounting rules and standards for financial reporting
GDP	Gross Domestic Product

GOI	Government of India
Gratuity Act	The Payment of Gratuity Act, 1972
GST	Goods and Service Tax
ID Act	The Industrial Disputes Act, 1947
IFRS	International Financial Reporting Standards
IND-AS	Indian Accounting Standards
INR	Indian Rupee
ISO	International Organization for Standardization
ISTD	Indian Society for Training and Development
IT Act	Information Technology Act, 2000
KBC	KBC Global Limited, also ref. as Issuer
Maternity Benefit Act	Maternity Benefit Act, 1961
MENA	Middle East/North Africa
Mn	Million
MoF	Ministry of Finance
MoCI	Ministry of Commerce and Industry
MSMED Act	The Micro, Small and Medium Enterprises Development Act, 2006
NI	National Instrument
NRIs	Non Resident Indians
NSE	National Stock Exchange
OCB	Overseas Corporate Body
Professional Tax Act	The Maharashtra State Tax on Professionals, Trades, Callings and Employments Act, 1975
QIBs	Qualified Institutional Buyers
R&D	Research & Development
RBI	Reserve Bank of India
ROC	Registrar of Companies
SEBI	Bonds Exchange Board of India
SEBI(ICDR)	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018
REGULATIONS	
Bonds Act	Bonds Act of 1933
SHWW Act	The Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013
STT	Securities Transaction Tax
TAKEOVER CODE	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
The Code	U.S. Internal Revenue Code of 1986
Trade Union Act	The Trade Union Act, 1926
Trademarks Act	The Trademarks Act, 1999
Deed	Deed dated 28 th November, 2022 executed between the Company and SBM Fund Services Limited, Mauritius
UK	United Kingdom

US	United States of America
USD	United States Dollars
ACHL	Afrinex Clearing House Ltd

CURRENCY PRESENTATION AND EXCHANGE RATE INFORMATION

In this Offering Memorandum “\$,” “*dollar*” or “*U.S. dollar*” refers to the lawful currency of the United States; and “₹” or “*INR*” or Indian National Rupee” refers to the single currency of India

The following tables set forth, for the periods indicated, the period end, period average, high and low Bloomberg Composite Rates (London) expressed in INR per U.S. dollars. The Bloomberg Composite Rate is a “best market” calculation, in which, at any point in time, the bid rate is equal to the highest bid rate of all contributing bank indications and the ask rate is set to the lowest ask rate offered by these banks.

INR Per U.S. dollar

Year	Period End Buying Rate	Period Average	High	Low
2017	64.85	67.199	66.92	64.80
2018	65.11	64.578	65.30	64.73
2019	69.18	69.057	71.00	68.35
2020	75.33	70.393	76.39	72.03
2021	73.50	74.188	73.78	72.27

Month	Period End Buying Rate	Period Average	High	Low
Jan-22	74.52	74.54	75.327	73.748
Feb-22	75.49	75.10	75.848	74.343
Mar-22	75.78	76.33	77.449	75.213
April -22	76.59	76.52	76.806	75.266
May-22	77.52	77.57	77.915	75.990
June-22	78.91	78.59	79.095	77.380
July-22	79.20	79.34	80.235	78.805
August-22	79.68	79.49	80.135	78.393
Sept.-22	81.64	81.51	82.020	79.010
October-22	82.29	82.77	83.268	81.284

- (1) The average rate for a year means the average of the Bloomberg Composite Rates (London) on the last day of each month during a year.
- (2) The average rate for each month presented is based on the average Bloomberg Composite Rate (London) for each business day of such month.

The above rates differ from the actual rates used in the preparation of the Standalone Financial Statements and other financial information appearing in this Offering Memorandum.

SUMMARY

This summary highlights information contained elsewhere in this Offering Memorandum. The summary below does not contain all the information that you should consider before investing in the Bonds. The following summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information included elsewhere in this Offering Memorandum. You should carefully read the entire Offering Memorandum to understand our business, the nature and terms of the Bonds, and the tax and other considerations which are important to your decision to invest in the Bonds, including the more detailed information in the financial statements and the related Bonds included elsewhere in this Offering Memorandum, before making an investment decision. See the section entitled "Risk Factors" for factors that you should consider before investing in the Bonds and the section entitled "Forward-Looking Statements" for information relating to the statements contained in this Offering Memorandum that are not historical facts.

Overview

The Company was incorporated on September 17, 2007, as a private limited Company in the name of Karda Constructions Private Limited with the Registrar of Companies, Maharashtra bearing Certificate of Incorporation number U45400MH2007PLC174194.

KBC Global Limited (previously known as Karda Constructions Limited) is engaged in real estate construction business. The Company focuses on quality and affordable developments. It has an established brand and reputation and a track record of developing innovative projects through its emphasis on contemporary architecture strong project execution and quality construction in the real estate industry. The Company has presence across all real estate segments such as low medium and premium. The Company also undertakes construction contracts. 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 the promoter Mr. Naresh Karda in the year 1994. In the years following its inception the group concentrated on developing affordable housing in the residential segment and from the year 2001 onwards the group diversified into the commercial segment.

The Company was incorporated in 2007 with a view to corporatize the group's activities in the real estate sector. KBC Global Limited was incorporated as a private limited Company with the name 'Karda Constructions Private Limited' on September 17 2007. Subsequently the Company was converted to a public limited Company on March 17, 2016 and the name of the Company was changed to 'Karda Constructions Limited'.

In 2008 the Company started operations for Project 'Hari Sankul I' in August 2008. In 2010 the Company Started operations for Project 'Hari Vishwa' and 'Hari Sankalp' in January 2010 and 'Hari Sneh' in October 2010. In 2011 the Company Started operations for Project 'Hari Niwas' in January 2011 'Hari Om' in March 2011 'Hari Angan Phase II' in April 2011 'Hari Vandan Phase II' in May 2011 'Hari Niketan' in July 2011 and 'Hari Kunj' in August 2011 and 'Hari Sankul II' in October 2011. The Company completed the project 'Hari Sankul I' in August 2011. In 2012 the Company started operations for Project 'Hari Sparsh' in June 2012 and completed the Projects 'Hari Sankul II' 'Hari Sneh I' in November 2012 and 'Hari Vandan II' in December 2012. In 2013 the Company Started operations for Projects 'Hari Amrut' in May 2013 & 'Hari Sneh II' in August 2013 and completed the Projects 'Hari Kunj' in January 2013 & 'Hari Sankalp' in April 2013. In 2014 the Company Started operations for Project 'Hari Mantra' in October 2014 and completed the Project 'Hari Om I' in February 2014. In 2015 the Company completed the projects 'Hari Sparsh' in June 2015 'Hari Naman' in August 2015 and 'Hari Mantra' 'Hari Sneh II' & 'Hari Amrut' in December 2015. In 2016 the Company Started operation for the Project 'Hari Om II' in May 2016 'Hari Sparsh II' in July 2016 'Hari Vatika' in August 2016 'Hari Bhakti' in September 2016 'Hari Ved' and 'Hari Vasant' in October 2016 and completed Project 'Hari Shrushti' in June 2016. In 2017 the Company Started operations for Projects 'Hari Samarth' and 'Hari Sanskruti II' in February 2017 'Hari Sparsh' in May 2017 'Hari Sanskruti' and 'Hari Anand' in June 2017.

The Company launched an initial public offer (IPO) during the period from 16th March 2018 to 21st March 2018. The IPO was a combination of fresh issue 23 lakh shares and an Offer for Sale of upto 20 lakh shares. The IPO was priced at Rs 180 per share. The stock was listed on the NSE & BSE on 2 April 2018. On 30 April 2018 the Company announced the launch of a new project Hari Aakruti Phase II at Nashik.

We are headquartered in Nashik, India. Our shares are publicly listed on the Bombay Stock Exchange and on the National Stock Exchange India Limited. As of November 7th, 2022, Equity Share market capitalization is/was of approximately INR 156.82 Crore in US\$ 19.12 Million.

Subsidiaries

The Company has one wholly- owned subsidiary in Dubai and no other 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.

The Company has a subsidiary company in Dubai, and the details are mentioned below:

a. Name

KBC GLOBAL FZCO, Registered as Free Zone Company incorporated on December 22, 2021, with Dubai Silicon Oasis Authority under registration number DSO-FZCO-11245.

b. Registered office

Dubai Silicon Oasis, DDP, Building A2, Dubai, United Arab Emirates.

c. The main activities of the subsidiary are:

- To carry on all such business within the area of the IFZA Dubai in the Free Zone as the Dubai Silicon Oasis Authority (the “Authority”) may permit under the terms of the License issued in respect of the FZCO.
- To carry out related business operations and expansion of business any other trade or business which can, in the opinion of the board of Directors, and subject to the Authority’s approval, be advantageously carried on by the FZCO in connection with or as ancillary to any of the above business or the general business of the FZCO.

d. Holding

The Company has invested in its subsidiary through the equity shares of INR 2.07 Lakh and extended a loan of INR 5.89 Lakh under the related party transaction.

Our Key Strengths

i. Established brand and reputation:

With over two and a half decades experience in Nashik, KBC Global Limited was founded and promoted by Mr. Naresh Karda — Chairman & Managing Director in 2007. KBC Global has a competitive advantage as a leading player in affordable and mid-income housing segment in its home turf. The joint development route will allow the company to conceptualize and launch projects more quickly and allocate greater bandwidth to project execution. KBC Global has established its brand name as “Hari” for all its projects and has a strong recall factor in the Greater Nashik market. In its 26 years of operating history, the Karda Group has successfully delivered over 1.4 Mn sq. ft of developed area. KBC Global was awarded for the “Iconic Budget Home” by Times Realty in 2019 and also awarded for “The Most Preferred Real Estate Company”, of Nashik at the event “My Maharashtra Awards-2019”. Ongoing & upcoming projects comprise of 2.45 Min Sq. ft. over 19 + projects in the real estate segment over the next few years.

ii. Strong base of client in commercial and residential sector:

Over the years, KBC Global Limited has demonstrated its ability to execute large scale projects in various sectors – both in commercial as well as Residential; and has thereby developed long standing relationships with strong and reputed clientele in Nashik city.

iii. Projections entail financial stability:

Net profit of company rose 114.76% to Rs 4.51 crore in the quarter ended September 2021 as against Rs 2.10 crore during the previous quarter ended September 2020.

iv. Among Top 1000 Companies based on Market Capitalisation:

In terms of Market capitalisation, the company is currently positioned among top 1000 companies as per the National Stock Exchange of India.

v. **Strong workforce:**

Highly qualified execution team: the company employs experienced, capable, and highly qualified design and project management teams who oversee and execute all aspects of project development.

vi. **Highly qualified and committed management team:**

We have an experienced, proven and fully committed management team with extensive industry experience and a strong track record of meeting patient needs, driving sustainable growth for our business and laying the foundation for future organic growth.

Our senior management team is supported by a strong team of managers and department heads with many years of experience in our industry and with our Company.

The Issuer

Type of Company	Public Limited Company
Date of Incorporation	September 17, 2007
Incorporation Status	Incorporated under the Companies Act, 1956 registered with Registrar of Companies – Mumbai, Maharashtra, India
Company Registration Number	174194
Company Identification Number	L45400MH2007PLC174194
Registered Address	2nd Floor, Gulmohar Status above Business Bank, Samarth Nagar Nashik, Maharashtra 422005
Name at the time of Registration	Karda Construction Limited
Current Name of the Company	KBC Global Limited Company
Change of Name approval Date	November 13, 2021
GST Number	27AADCK1887B1ZM
Permanent Account Number	AADCK1887B
Listed at	BSE & NSE
BSE trading CODE	541161
NSE trading CODE	KBCGLOBAL
Number of Directors	6
Authorised Capital	Rs. 75,00,00,000
Issued & Paid up Capital	Rs. 61,50,00,000 (fully paid-up equity shares)
FaceValue of Each Share	INR1.00
Outstanding Secured Debt (as on date 30.09.2022)	Rs. 83.09Crs
Outstanding Unsecured Debt (as on date 30.09.2022)	INR0.00

SUMMARY OF THE OFFERING

The following summary of the Offering contains basic information about the Bonds. It is not intended to be complete, and it is subject to important limitations and exceptions. For a more complete understanding of the Bonds, including certain definitions of terms used in this summary, see “*Terms and Conditions of the Bonds*” and “*Description of Certain Financing Arrangements*.”

Issuer or the Company	KBC Global Limited a public limited company incorporated under the Companies Act, 1956 with its registered office at 2 nd Floor, Gulmohar Status, above Business Bank, Samarth Nagar, Nashik, Maharashtra, India. LEI (Legal Entity Identifier): 894500UYLWU7J994I64
Issue or the Offering	USD 95,000,000, 1.50 %, Unsecured, Foreign Currency Convertible Bonds due on 10 December, 2025 convertible into equity shares of Rs. 1.00 each in the share capital of the Company. The Bonds are being offered and sold in offshore transactions outside the United States in reliance on Regulation S under the Securities Act (“ Regulation S ”). Subject to certain exceptions, the Bonds may not be offered, sold, or delivered within the United States (as defined in Regulation S). The Bonds may not be offered or sold directly or indirectly in India or to, or for the account or benefit of, any resident of India, except in certain limited circumstances.
Investment Currency	United State Dollar
Bond Placement Amount	USD 95,000,000.
Bond Subscription Amount	USD 80,750,000. (Subscription Value) Discount of USD 14,250,000 @ 15% on the Placement Amount.
Bond Cancellation & Conversion to GDRs	Where Bonds are cancelled and converted into GDRs, the GDRs shall be GDRs without any voting rights in favour of the GDR holder until completion of cancellation of the GDRs and their conversion into the Equity Shares of the Issuer.
Par Value of each Bond	USD 1,00,000 per Bond.
Proposed Bonds	950 Bonds
Issue Price	USD 85,000 per Bond. Issued at a discount of 15% of the Par value of each Bond.
Discount on issuance price	15% discount of Issuance Price
Redemption Value	USD 95,000,000
Redemption value of each Bond	USD 100,000.00
Expected Annual Yield	6.50% Annual Yield (5% differed annual yield from discount + 1.50% annual coupon). (Note: Proposed Yield on FCCB is within the limit of RBI i.e. All in Cost – 300 basis over 6 months USD LIBOR which comes 4.65% (Current US 6months Libor) +3.00 (maturity from 3years to 5 years) =7.65%)
Interest	The Bonds bear interest on their outstanding principal amount from and including November 21, 2022 at the rate of 1.50%. per annum quarterly in arrear in equal instalments in each calendar year, commencing on 10th February, 2023 .
Cancellation	All Bonds, which are redeemed, purchased or in respect of which conversion rights are exercised will be cancelled and may not be reissued or resold. Certificates in respect of the Bonds redeemed, converted, or purchased by the Company will be surrendered for cancellation and may not be reissued or resold.

Issue Opening Date	November 10 th , 2022
Maturity Date	Unless previously redeemed, converted or purchased and canceled as provided in the Offering memorandum, the Issuer will redeem each Bond at its outstanding principal amount on December 10, 2025 (the "Maturity Date"), together with accrued interest (if any) (calculated up to but excluding the Maturity Date).
Bonds Maturity Tenure	37 months
Linked instrument to the Bonds	Convertible into listed Equity Shares of KBC Global Ltd.
Deployment	Overseas Business Expansion – Infrastructure Sector for Low-Cost Housing Development Project in ECOWAS & COMESA region of Africa Continent through its 100% subsidiary based in the United Arab Emirates.
Clearance and Settlement of Bonds	The Bonds will clear and settle solely through the book-entry transfer facilities maintained by the Clearing Systems.
Clearing and Settlement Agent	SBM Fund Services Limited, Mauritius
Closed Period	Period in which conversion right may not be exercised by Bondholders as mentioned in Condition 5.1.2 of the "Terms and Condition of Bonds" Section.
Continuing Disclosures	A Shareholder who holds 5 per cent or more of the total equity share capital of the Company is required under Indian law to make disclosures of his shareholding to the Company. See " <i>Indian Securities Market</i> ".
Conversion notice	A duly completed and signed notice of conversion, in the form (for the time being) obtainable from the specified office of the Principal Paying and Conversion Agent.
Conversion of the Bonds	<p>The Bond will be convertible at the option of the Bondholder at any time on or after 1 week from the date of Issue and up to the Maturity Date.</p> <p>The price at which Shares will be issued upon conversion of the Bonds (the "Conversion Price") will be at a price calculated as per the last 6 months average or last 2 weeks average, whichever is higher in line with equity issue price guidelines for new allotment of equity shares defined by Securities Exchange Board of India ("SEBI").</p> <p>The Bonds are convertible by Bondholders into Shares, at any time after the Closing Date and prior to the close of business (at the place the Bonds are deposited for conversion) on Maturity Date unless converted, redeemed, or repurchased and cancelled and except during a Closed Period (as defined in the Conditions).</p> <p>If the Company is unable to convert the Bonds into Shares within 35 Business Days after receiving the Conversion Notice, the Company shall have the option to pay to the relevant Bondholder an amount in cash equal to the Cash Settlement Amount (as defined in Condition 5.4.5 of the "Terms and Condition of Bonds" Section) in satisfaction of Conversion Right in full or in part (in which case the other part shall be satisfied by the delivery of Shares) (the "Cash Settlement Option").</p> <p>A Bondholder exercising its Conversion Right (as defined in the Conditions) for Shares in uncertificated form will be required to open a depository account with a depository participant under The Depositories Act, 1996 for the purpose of receiving the Shares in uncertificated form.</p>
Conversion Price	Each Bond is initially convertible at the Conversion Price which shall be the higher of the six months average or last two weeks average preceding the day of conversion (" Initial Conversion Price ") with a fixed rate of exchange on conversion of Rs. [•] to USD 1.00. The number of Shares issued on conversion of the Bonds shall be calculated by dividing the aggregate of the principal amount of the Bonds as converted into Indian Rupees at the time of conversion by the then Conversion Price.
Forced Conversion	<p>In the event the price of the equity shares of the Company increases 30% from the price of the equity shares at the date of allotment of the FCCB, it will trigger compulsory conversion of Bonds.</p> <p>In such an event;</p> <ol style="list-style-type: none"> 1. The Company will not be obligated to pay the Coupon on the Bonds 2. The Company will not be obligated to redeem the Bonds. <p>Current Equity Price: INR 2.45 Trigger Price for Compulsory Conversion: INR 3.25</p>

Conversion Price adjustment	Standard adjustment for any dilution will be applied, including i) bonus or special dividends paid with respect to the Shares, ii) free distribution or issuance of shares, iii) sub-division, consolidation, and reclassification of Shares, iv) rights offering, v) warrants and vi) creation of additional convertible or exchangeable bonds and vii) other issues in a dilution of Shares as described in terms and conditions of the Bond.
Definitive Certificates	A certificate representing an individual holding of the Bond.
Events of Default	For a description of certain events that will cause the Bonds to immediately become due and payable at their principal amount, see <i>“Terms and Conditions of the Bonds — Events of Default”</i> .
Exchange Rate on Conversion	The price at which such Bonds will be converted will be the Conversion Price in effect on such Conversion
Existing Shares	The equity shares in the capital of the Company of the nominal value of Rs.1 each as at the date of this Offering Memorandum.
Floor Price	The Floor Price for the conversion of the Bonds into the Share shall be determined in accordance with FCCB guidelines and the relevant Applicable Law.
Form and Denomination of the Bonds	<p>The Bonds will be issued in registered form in denominations of USD 100,000 each or integral multiples thereof. The Bonds will be represented by a single Global Certificate (as defined in the Conditions) which will be issued by Clearing Systems and deposited with the depository. Except in the limited circumstances described in the Global Certificate, owners of interests in Bonds will not be entitled to receive physical delivery of Certificates. The Bonds are not issuable in bearer form. See <i>“Terms and Conditions of the Bonds”</i>. The Bonds will be listed on the AFRINEX , Mauritius.</p> <p>Except in the limited circumstances described in the Global Certificate, owners of interests in Bonds will not be entitled to receive physical delivery of Certificates. The Bonds are not issuable in bearer form. See <i>“Terms and Conditions of the Bonds”</i>.</p>
Further Issue	The Company may from time to time, without the consent of the Bondholders, create and issue further notes, bonds or debentures either having the same terms and conditions in all respects as the outstanding notes, bonds or debentures of any series (including the Bonds) and so that such further notes, bonds or debentures shall be standalone and form a single series with the outstanding notes, bonds or debentures of any series (including the Bonds) or upon such terms as to interest, subordination (if any), premium, conversion, redemption and otherwise as the Company may determine at the time of their issue.
General Market for the Shares, Listing and Share Ownership Restrictions	The Company’s issued and paid-up Shares are listed on the Indian Stock Exchanges. The Shares issued upon conversion of the Bonds will be listed on the Indian Stock Exchanges. There are restrictions on investments in shares of Indian companies by non-residents of India. See <i>“Foreign Investment and Exchange Controls”</i> .
Global Certificate	For as long as the Bonds are represented by the Global Certificate and the Global Certificate is held by a depository for the Clearing Systems, payments of principal in respect of the Bonds represented by the Global Certificate will be made against presentation for endorsement and, if no further payment is to be made in respect of the Bonds, surrender of the Global Certificate to or to the order of the Principal Paying and Conversion Agent for such purpose. The Bonds which are represented by the Global Certificate will be transferable only in accordance with the rules and procedures for the time being of the relevant Clearing Systems. See <i>“Global Certificate — Payments”</i> .
Governing Law	The Bonds will be constituted under the Trust Deed, which is governed by, and construed in accordance with, the laws of Mauritius.
Government Approvals	<p>FCCBs are governed by the External Commercial Borrowings Policy issued by RBI, as amended from time to time, Companies Act, 2013 and the rules framed thereunder; Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, as amended from time to time and the Foreign Exchange Management (Transfer or Issue of any Foreign Security) Regulations, 2000, as amended from time to time. The said rules and regulations allow Indian companies to issue FCCBs up to USD 1.5 billion under the "automatic route" (without prior approval of the RBI), subject to compliance with certain conditions specified therein</p> <p>The Company is undertaking this offering of the Bonds pursuant to the foregoing</p>

	Government regulations.
Indian Taxation	<p>Payments of principal, premium and interest if any on the Bonds made by the Company in respect of the Bonds and all deliveries of Shares made upon conversion of the Bonds will be made without deduction or withholding in respect of Indian taxation save to the extent required by law. Where so required, the Company will gross up the net taxable amount so that the net amounts received by holders are the same as if no withholding were made and will be required to account separately to the Indian tax authorities for any withholding taxes applicable on such amounts. The Bonds will have the benefit of the tax concessions available under the provisions of Section 115AC of the Income Tax Act, 1961 of India (the “Income Tax Act”) and The Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993 promulgated by the Government (the “Depository Receipt Scheme”). These tax concessions include withholding at a reduced rate of 10.0% plus an applicable surcharge on such tax in respect of interest and premium (if any) on the Bonds. Gains realised outside India on the sale or transfer of such Bonds (but not the Shares issued upon conversion of the Bonds) by a holder who is a non-resident of India to another non-resident of India are exempt from Indian capital gains tax. See “<i>Taxation</i>”.</p> <p>Under current Indian laws, no tax is payable by the recipients of dividends on shares of an Indian company, including the Shares deliverable upon conversion of the Bonds. However, the Company will be liable to pay distribution tax on dividends paid on the Shares at a rate of approximately 15% (plus surcharge and education cess at the applicable rates).</p>
Issuer Clean-up Call	The Bonds may be redeemed at the option of the Company in whole, but not in part, at any time at the Early Redemption Amount, having given not less than 60 days’ notice to the Bondholders, in the event of aggregate principal amount of the outstanding Bonds is less than 10% of the principal amount of the Bonds originally issued. The ECB Guidelines at the time of redemption may require the Issuer to obtain the prior approval of the RBI before providing notice for or effecting such a redemption prior to the Maturity Date; such approval may or may not be forthcoming.
Listing	<p>Application has been made to admit the Bonds to listing on the AFRINEX Securities List</p> <p>The Bonds will be traded OTC in a minimum board lot size of USD 100,000.00 for so long as the Bonds are listed on AFRINEX , Mauritius. The Company has undertaken to apply to have the Shares issuable upon conversion of the Bonds approved for listing on the BSE.</p>
RBI approval required for Early Redemption or Repurchase	The ECB Guidelines at the time of redemption may require the Issuer to obtain the prior approval of the RBI before providing notice for or effecting such a redemption or repurchase prior to the Maturity Date; such approval may or may not be forthcoming.
Redemption for Taxation Reasons	The Bonds may be redeemed at the option of the Company in whole, but not in part, at any time at the Early Redemption Amount, in the event of certain changes affecting taxes in India as set out in the Conditions-see “ <i>Redemption for Taxation Reasons</i> ”. The ECB Guidelines at the time of redemption may require the Issuer to obtain the prior approval of the RBI before providing notice for or effecting such a redemption prior to the Maturity Date; such approval may or may not be forthcoming.
Redemption on Maturity	Unless the Bonds have been previously redeemed, repurchased, cancelled or converted, the Company will redeem the Bonds on the Maturity Date at 100% of the principal amount of the Bonds by way of allotment of underlying shares at Floor Price.
Representations of Bondholders	A Bondholder will be required to represent and agree on conversion that, among other things, it is not a U.S. person or located in the United States (within the meaning of Regulation S).
Repurchase of Bonds in the Event of Change of Control	To the extent permitted by applicable law, unless the Bonds have been previously redeemed, repurchased cancelled or converted, each Bondholder shall have the right, at such Bondholder’s option, upon the occurrence of a Change of Control Event (as defined in the Conditions) to require the Company to redeem all of such bondholder’s bonds at an Early Redemption Amount all (or any portion of the principal amount

	thereof which is USD [•] or any integral multiples thereof) of such Bondholder's Bonds at the Early Redemption Amount on the date set by the Company for such repurchase, which shall be not less than 30 days nor more than 60 days following the date on which the Company notifies the Bondholders, the Trustee and the Agents of the Change of Control in accordance with the Conditions. See <i>"Terms and Conditions of the Bonds — Redemption, Repurchase and Cancellation — Repurchase of Bonds in the Event of Change of Control"</i> .
Repurchase of Bonds in the Event of Delisting	To the extent permitted by applicable law, unless the Bonds have been previously redeemed, repurchased and cancelled or converted, in the event that the Shares cease to be listed or admitted to trading on the BSE (a "Delisting"), each Bondholder shall have the right, at such Bondholder's option, to require the Issuer to redeem all of such Bondholder's bonds at an Early Redemption Amount or Company to repurchase all (or any portion of the principal amount thereof which is USD100,000 or any integral multiples thereof) of such Bondholder's Bonds at the Early Redemption Amount on the date set by the Company for such repurchase. The date of such repurchase shall be not less than 30 days or more than 60 days following the date the Company gives notice to the Bondholders, the Trustee, and the Agents of the Delisting in accordance with the Conditions. See <i>"Terms and Conditions of the Bonds — Redemption, Repurchase and Cancellation — Repurchase of Bonds in the Event of Delisting"</i> .
Repurchase of Bonds in the Event of Non-Permitted Conversion Price Adjustment	To the extent permitted by applicable law, unless the Bonds have been previously converted, redeemed or repurchased and cancelled, in the event that an event triggering an adjustment to the Conversion Price occurs and the Company is unable to provide the Trustee with a Price Adjustment Opinion confirming to the Trustee's satisfaction that such adjustment to the Conversion Price is permitted under then prevailing applicable Indian laws and regulations (a "Non-Permitted Conversion Price Adjustment Event"), each Bondholder shall have the right, at such Bondholder's option, to require the Company to repurchase all (or any portion of the principal amount thereof which is US\$100,000 or any integral multiple thereof) of such Bondholder's Bonds at a price equal to their Early Redemption Amount on the date set by the Company for such repurchase. The date of such repurchase shall be not fewer than 30 days but not more than 60 days following the date on which the Company notifies the Bondholders of the occurrence of the Non-Permitted Conversion Price Adjustment Event in accordance with the Conditions. See <i>"Terms and Conditions of the Bonds — Redemption, Repurchase and Cancellation — Repurchase of Bonds in the Event of Non-Permitted Conversion Price Adjustment"</i> .
Requisite Approvals	No payments of principal or interest will be made prior to the Maturity Date (including on the occurrence of an Event of Default) if the requisite RBI approvals have not been obtained or any other applicable Indian laws and restrictions have not been complied with. The Company shall use its best endeavors to obtain such requisite RBI approvals or with respect to any other applicable Indian Laws that may be necessary to make any payments of principal or interest prior to the Maturity Date.
Selling Restrictions	There are restrictions on the offer, sale and/or transfer of the Bonds in, among others, European Economic Area, Hong Kong, India, Japan, United Kingdom, and the United States. For a description of the selling restrictions on offers, sales and deliveries of the Bonds, see <i>"Selling Restriction"</i> .
Share Ranking	Shares issued upon conversion of the Bonds will be fully paid and will rank pari passu, subject to listing, with the Shares in issue on the relevant Conversion Date (as defined in the Conditions). Shares issued on conversion of Bonds shall not be entitled to any rights, the record date for which preceded the relevant Conversion Date. See <i>"Description of the Shares — Dividends"</i> and <i>"Terms and Conditions of the Bonds — Conversion"</i> .
Status of the Bonds	The Bonds will constitute the Company's direct, unconditional, unsubordinated, and unsecured obligations and will at all time rank pari passu and without any preference or priority among themselves. The Company's payment obligations under the Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law, at all times rank at least equally with all of its other present and future direct, unconditional, unsubordinated, and unsecured obligations.
Trading Day	Any day of the week during which the BSE and/or NSE is open for business but does not include a day when (a) no such last transaction price or closing bid and offered prices is/are reported and (b) if the Shares are not listed or admitted.
Use of Proceeds	The Proceeds from the issue of the Bonds will be used for "Overseas Business expansion Investments through joint venture(s) and its wholly owned foreign

	<p>subsidiary company” and shall not utilise the subscription amount for any other purpose</p> <p>The Company intends to use all or substantially all of the proceeds from the issue of the FCCB (net of expenses) for activities allowed under the ECB Guidelines.</p>
Trustee for the Bonds	SBM Fund Services Limited
Principal Agent/ Paying Agent	SBM Fund Services Limited
Voting Rights	Bondholders will have no voting rights with respect to the Bonds at a general meeting of the Company. Bondholders will have voting rights at a meeting of Bondholders. Voting rights will attach to the Shares received upon conversion.
Identification Numbers for the Bonds	ISIN: [MU0000000263]

SUMMARY HISTORICAL FINANCIAL INFORMATION AND OTHER DATA

The tables below set forth summary financial data for KBC as of and for the years ended March 31, 2020, 2021 and 2022 derived from the Standalone Financial Statements, which were prepared in accordance with IND-AS and are included elsewhere in this Offering Memorandum.

The summary historical Standalone financial information presented below includes certain unaudited Standalone financial information for six months ended September 30, 2022.

Historical Financial Data

PLEASE SEE FOLLOWING PAGE(S)

Particulars	Year ended March 31			Six months ended September 30	
	2020	2021	2022	2022	2020
	In Million				
Standalone Income Statement					
Revenue from Operations	1,052.97	1,141.21	1,209.22	364.41	352.77
Other income	34.41	42.135	75.356	29.63	61.662
Total Operating Income	1,087.38	1,183.35	1,284.58	394.04	414.43
Expenses					
Cost of Construction/Development, Land, Plot, and development Rights	647.69	708.08	776.30	244.32	168.21

Works for own assets					
Procurements					
Staff costs (employee Benefit exp)	27.716	34.534	30.468	16.032	13.249
Amortization and depreciation charge	2.782	1.753	1.087	0.518	0.604
Financial Expenses	170.78	178.52	145.55	62.128	64.128
Net change in provisions					
Other operating expenses	35.689	63.109	17.957	5.809	12.918
Selling Expenses	42.377	61.571	33.95	16.076	8.004
Net gains/(losses) on disposals of assets					
Net results for impairment of property, plant, and equipment,					
Intangible assets and goodwill					
Total Expenses	927.03	1,047.56	1,005.32	344.89	267.12

Operating profit/(loss)					
Financial income					
Financial expense					
Exchange differences					
Profit/(loss) on the measurement of financial instruments					
Profit/(loss) before taxes and Exceptional Items	160.35	135.79	279.26	49.149	147.32
Exceptional Items- Loss by fire					
Profit/(loss) before taxes	160.35	126.47	279.26	49.149	147.32
Income tax	39.5	32.77	76.05	10.23	40.68
Deferred Tax	-0.128	-2.66	0.634	0.44	0.138
Net profit (loss) for the period attributable to the Parent Company					
Net profit (loss) After Tax	120.98	96.364	202.58	38.479	106.50

Particulars	Year ended March 31	Six months ended September 30
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Net profit (loss) for the period attributable to the Parent Company					
Net profit (loss) After Tax	120.98	96.364	202.58	38.479	106.50

Risk Factors

Investing in the Bonds involves substantial risks. You should consider carefully all the information in this Offering Memorandum and, in particular, you should evaluate the specific risk factors set forth in the “Risk Factors” section in this Offering Memorandum before making a decision on whether to invest in the Bonds.

An investment in Securities involves a high degree of risk. You should carefully consider all the information in this Offering Memorandum, including the risks and uncertainties described below, before making an investment in Securities. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of this offer including the merits and risks involved. Any potential investor in, and subscriber of, the Equity Shares should also pay particular attention to the fact that we are governed in India by a legal and regulatory environment in which some material respects may be different from that which prevails in other countries. The risks and uncertainties described in this section are not the only risks and uncertainties we currently face. Additional risks and uncertainties not known to us or that we currently deem immaterial may also have an adverse effect on our business. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations and financial condition could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment. Additionally, our business operations could also be affected by additional factors that are not presently known to us or that we currently consider as immaterial to our operations.

The following factors have been considered for determining the materiality of Risk Factors:

- *Some events may not be material individually but may be found material collectively;*
- *Some events may have material impact qualitatively instead of quantitatively;*
- *Some events may not be material at present but may have material impact in future.*

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence the same has not been disclosed in such risk factors. Unless otherwise stated, the financial information of the Company used in this section is derived from our restated financial statements prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI (ICDR) Regulations. Unless otherwise stated, we are not in a position to specify or quantify the financial or other risks mentioned herein. For capitalized terms used but not defined in this section, refer to the chapter titled —Definitions and Abbreviation beginning on page 3 of this Offering Memorandum. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.

INTERNAL RISKS

• **Business Risks**

1. We are subject to risks arising from exchange rate fluctuations.

The exchange rate between the Rupee and other currencies is variable and may continue to fluctuate in future. Fluctuations in the exchange rates may affect the Company to the extent of imports made and cost of services rendered in foreign currency terms. Any adverse fluctuations with respect to the exchange rate of any foreign currency for Indian Rupees may affect the Company's profitability, since a part of its service is rendered in foreign currency.

2. Our insurance coverage may not be adequate

Our Company has obtained insurance coverage in respect of certain risks. Our significant insurance policies consist of standard fire and special perils, burglary, earthquake (fire and shock), marine open export policy. While we believe that we maintain insurance coverage in adequate amounts consistent with size of our business, our insurance policies do not cover all risks, specifically risks like housebreaking, etc. Further, although we attempt to limit and mitigate our liability for damages arising from negligent acts, errors or omissions through contractual provisions and/or insurance, the indemnities set forth in our contracts and/ or our insurance may not be enforceable in all instances or the limitations of liability may not protect us from entire liability for damages. There can be no assurance that our insurance policies will be adequate to cover the losses in respect of which the insurance has been availed. If we suffer a significant uninsured loss or if insurance claim in respect of the subject-matter of insurance is not accepted or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition, and results of operations may be materially and adversely affected.

3. We operate in a highly competitive environment and may not be able to maintain our market position, which may adversely impact our business, results of operations and financial condition.

The Real Estate industry in India is highly fragmented and consists of several unorganized players. We have invested significantly in our infrastructure in our effort to move up the value chain. Many of these unorganized players may have a set-up and overheads that are significantly lower than ours and may be able to offer certain service at the lower end of the value chain at a cheaper rate than us. We cannot assure that we will be able to compete, or compete effectively with these players, in relation to the services which may be offered by them. Moreover, the scale of operations of our Company is not large enough to compete with organized players in the industry. If we are unable to achieve desired scale and size alongside efficiency, our business and results of operations may be adversely affected.

4. We require certain statutory and regulatory approvals, registrations and licenses for our business and our inability to obtain, renew or maintain our statutory and regulatory permits and approvals required to operate our business would adversely affect our operations and profitability.

Our Company requires several statutory and regulatory permits, licenses, and approvals to operate the business. Many of these approvals are granted for fixed periods of time and need renewal from time to time. Our Company is required to renew such permits, licenses, and approvals. Further, we may require new registrations and approvals for any proposed operations, including any expansion of existing operations. While we believe that we will be able to renew or obtain such registrations and approvals, as and when required, there can be no assurance that the relevant authorities will issue any of such permits or approvals in time or at all. Further, these permits, licenses and approvals are subject to several conditions, and our Company cannot assure that it shall be able to continuously meet such conditions or be able to prove compliance with such conditions to statutory authorities, and this may lead to cancellation, revocation, or suspension of relevant permits/ licenses/ approvals.

Failure to obtain and renew such registrations and approvals within statutory time frame attracts penal provisions. Further, such non-compliance may result in proceedings against our Company and the Directors and such actions may directly and immediately affect our operations and may have a material adverse effect on our revenues, profits, and operations.

5. If we are unable to source business opportunities effectively, we may not achieve our financial objectives.

Our ability to achieve our financial objectives will depend on our ability to identify, evaluate, and accomplish business opportunities. To grow our business, we will need to hire, train, supervise and manage new employees and to implement systems capable of effectively accommodating our growth. However, we cannot assure you that any such employees will contribute to the success of our business or that we will implement such systems effectively. Our failure to source business opportunities effectively could have a material adverse effect on our business, financial condition, and results of operations. It also is also possible that the strategies used by us in the future may be different from those presently in use. No assurance can be given that our analyses of market and other data or the strategies we use or plan in future to use will be successful under various market conditions.

6. Delays or defaults in client payments could adversely affect our operations.

We may be subject to working capital shortages due to delays or defaults in payment by clients. In case our customers default/delay in their payment obligations to us, it may have a material adverse effect on our business, financial condition, and results of operations.

7. We are subject to certain restrictive covenants in debt facilities provided to us by our lenders

We have entered into agreements for availing debt facilities from lenders. Certain covenants in these agreements require us to obtain approval/permission from our lenders in certain conditions. In the event of default or the breach of certain covenants, our lender has the option to make the entire outstanding amount payable immediately. There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain consents necessary to take the actions that we believe are required to operate and grow our business.

8. Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditure and restrictive covenants in our financing arrangements

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors

deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Additionally, under some of our loan agreements, we may not be permitted to declare any dividends if there is a default under such loan agreements or unless our Company has paid all the dues to the lender up to the date on which the dividend is declared or paid or has made satisfactory provisions thereof. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value.

9. Our future funds requirements, in the form of fresh issue of capital or Bonds and/or loans taken by us, may be prejudicial to the interest of the shareholders depending upon the terms on which they are eventually raised

We may require additional capital from time to time depending on our business needs. Any fresh issue of shares or convertible Bonds would dilute the shareholding of the existing shareholders and such issuance may be done on terms and conditions, which may not be favourable to the then existing shareholders. If such funds are raised in the form of loans or debt, then it may substantially increase our interest burden and decrease our cash flows, thus prejudicially affecting our profitability and ability to pay dividends to our shareholders.

10. Our success depends largely upon the services of our Directors, Promoters and other Key Managerial Personnel and our ability to attract and retain them. Demand for Key Managerial Personnel in the industry is intense and our inability to attract and retain Key Managerial Personnel may affect the operations of our Company

Our success is substantially dependent on the expertise and services of our Directors, Promoters, and our Key Managerial Personnel. They provide expertise which enables us to make well informed decisions in relation to our business and our future prospects. Our future performance will depend upon the continued services of these persons. Demand for Key Managerial Personnel in the industry is intense. We cannot assure you that we will be able to retain any or all, or that our succession planning will help to replace, the key members of our management. The loss of the services of such key members of our management team and the failure of any succession plans to replace such key members could have an adverse effect on our business and the results of our operations.

11. In addition to normal remuneration or benefits and reimbursement of expenses, some of our Directors and Key Managerial Personnel are interested in our Company to the extent of their shareholding and dividend entitlement in our Company

Our Directors and Key Managerial Personnel are interested in our Company to the extent of remuneration paid to them for services rendered and reimbursement of expenses payable to them. In addition, some of our Directors and Key Managerial Personnel may also be interested to the extent of their shareholding and dividend entitlement in our Company.

12. We have in the past entered into related party transactions and may continue to do so in the future

Our Company has entered into certain transactions with our related parties including our Promoters, our Directors, and their relatives. While we believe that all such transactions have been conducted on the arm's length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations.

EXTERNAL RISK FACTORS

Industry Risks:

13. Changes in government regulations or their implementation could disrupt our operations and adversely affect our business and results of operations

Our business and industry are regulated by different laws, rules and regulations framed by the Central and State Government. These regulations can be amended/ changed on a short notice at the discretion of the Government. If we fail to comply with all applicable regulations or if the regulations governing our business or their implementation change adversely, we may incur increased costs or be subject to penalties, which could disrupt our operations and adversely affect our business and results of operations.

RISKS ASSOCIATED WITH INDIA

14. Political instability and a significant change in the Government of India's economic liberalization and

deregulation policies could disrupt our business and cause the price of our Equity Shares to go down.

As most of our assets and customers are located in India our performance and the quality and growth of our assets are necessarily dependent on the health of the overall Indian economy. Any slowdown in the Indian economy would adversely affect our business, including but not limited our ability to grow our asset portfolio, the quality of our assets, and our ability to implement our strategy. India's economy could be adversely affected by a general rise in interest rates, weather conditions adversely affecting agriculture or various other socio-political factors affecting the growth of industrial, manufacturing and services sector. In addition, the Indian economy is in a state of transition. The share of the services sector of the economy is on a rise while that of the industrial, manufacturing, and agricultural sectors is declining. It is difficult to gauge the impact of these fundamental economic changes on our business.

The Government of India has traditionally exercised and continues to exercise a dominant influence over many aspects of the economy. Its economic policies have had and could continue to have a significant effect on private sector entities, including us, and on market conditions and prices of Indian Bonds, including our equity shares. Also, even though the Indian economy has shown sustained growth over the last few years, we cannot predict whether the same upward trend would continue, in the event that there is a fall in the growth rate it would adversely affect our performance, the growth of our business including our ability to grow our asset portfolio, the quality of our assets, our future financial performance, our shareholders' funds, our ability to implement our strategy and the price of our equity shares.

The last 15 years have witnessed four changes at the Central Government level with each party having its own policies. Any significant change in the Government's policies or political instability could adversely affect business and economic conditions in India and could also adversely affect our business, our future financial performance, our shareholders' funds, and the price of our Equity Shares.

15. Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and our business.

Terrorist attacks and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares trade and also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence. In addition, any deterioration in relations between India and its neighboring countries might result in investor concern about stability in the region, which could adversely affect the price of our Equity Shares.

India has also witnessed civil disturbances in the past and it is possible that future civil unrest as well as other adverse social, economic, and political events in India could have a negative impact on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the price of our Equity Shares.

16. Natural calamities could have a negative impact on the Indian economy and cause our business to suffer.

India has experienced natural calamities such as earthquakes, a tsunami, floods, and drought in the past few years. The extent and severity of these natural disasters determines their impact on the Indian economy, adversely affecting our business and the price of our Equity Shares.

17. Hostilities with neighboring countries and civil unrest in India may have a material adverse effect on the market for Bonds in India

India has from time to time experienced instances of hostilities between neighboring countries, including between India, Pakistan, and China. In recent years, military confrontations between India, Pakistan and China have occurred in Kashmir and along the India-Pakistan border, although the governments of India and China have recently engaged in conciliatory efforts. Military activity or terrorist attacks in the future could influence the Indian economy by disrupting communications and making travel more difficult. Such political tensions could create a greater perception that investments in Indian companies involve a higher degree of risk. Events of this nature in the future, as well as social and civil unrest, could influence the Indian economy and could have a material adverse effect on the market for Bonds of Indian companies, including the FCCBs, Shares, other Bonds and on the business of the Company.

18. Any downgrading of India's debt rating by an international rating agency could have a negative impact on our business

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have a material adverse effect on our business and financial performance, our ability to obtain financing for capital expenditures and the price of our Equity Shares.

19. Currency exchange rate fluctuations may affect the value of the Equity Shares

The exchange rate between the Indian Rupee and other foreign currencies, including the U.S. Dollar, the British Pound, the Euro, the Hong Kong Dollar, the Luxembourg Dollar, and the Japanese Yen, has changed substantially in recent years and may fluctuate substantially in the future. Fluctuations in the exchange rate between the foreign currencies with which an investor may have purchased Indian Rupees may affect the value of your investment in our Bonds. Specifically, if there is a change in relative value of the Rupee to the U.S. Dollar, each of the following values will also be affected:

- The foreign currency equivalent of the Indian Rupee trading price of our Equity Shares in India;
- The foreign currency equivalent of the proceeds that you would receive upon the sale in India of any of our Equity Shares; and
- The foreign currency equivalent of cash dividends, if any, paid in Indian Rupees on our Equity Shares.

You may be unable to convert Indian Rupee proceeds into a foreign currency of your choice or the rate at which any such conversion occurs could fluctuate. In addition, our market valuation could be seriously harmed by the devaluation of the Indian Rupee if investors in jurisdictions outside India analyze its value based on the relevant foreign currency equivalent of our financial condition and results of operations.

20. It may not be possible for you to enforce any judgment obtained outside India, including the United States, against us or any of our affiliates in India, except by way of a suit in India on such judgment

We are incorporated under the laws of India and most of our directors and executive officers reside in India. In addition, a substantial portion of our assets, and the assets of some of our directors and officers and of the non-resident experts named in this preliminary offering memorandum are located in India. As a result, you may be unable to:

- Effect service of process outside India, including within the United States upon us, and these other persons or entities; or
- Enforce foreign judgments obtained in the courts outside India against us and these other persons or entities, including judgments predicated upon the civil liability provision of the Bonds laws of foreign jurisdictions, such as the federal Bonds laws of the United States.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions. The United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgments (other than arbitration awards) in civil and commercial matters. In the case of reciprocating territories, a judgment of a court outside India may be enforced either by initiating execution proceedings pursuant to Section 44A of the Code of Civil Procedure, 1908 (the “Civil Code”) or by a suit upon it. However, in the case of a non-reciprocating territory such as the United States, a judgment of a court outside India may be enforced in India only by a suit upon the judgment, subject to Section 13 of the Civil Code and not by proceedings in execution. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. Generally, there are considerable delays in the disposal of suits by Indian courts. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with Indian practice. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI under FEMA to execute such a judgment or repatriate any amount recovered. Any judgment in a foreign currency would be converted into Indian Rupees on the date of judgment and not on the date of payment. We cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays. For more information, see “Enforcement of Civil Liabilities” in this Offering Memorandum.

21. A third party could be prevented from acquiring control of the Company because of the anti-takeover provisions under Indian law.

There are provisions in Indian law that may discourage a third party from attempting to take control over the Company, even if a change in control would result in the purchase of your Equity Shares at a premium to the market price or would otherwise be beneficial to you.

Indian takeover regulations contain certain provisions that may delay, deter, or prevent a future takeover or change in control of us. Any person acquiring either “control” or an interest (either on his own or together with parties acting in concert with him) in 15% or more of the voting Equity Shares must make an open offer to acquire at least another 20% of the outstanding voting Equity Shares at a price not lower than the price determined in accordance with the takeover regulations. Further, any person who, together with persons acting in concert with him, holds 15% or more but less than 55% of the voting Equity Shares cannot acquire additional voting Equity Shares that would entitle him to exercise 5% of voting rights in any financial year ending March 31, unless such acquirer makes a public announcement offering

to acquire a further minimum 20% of the voting Equity Shares. Any further acquisition of the voting Equity Shares by any person who holds 55% or more but less than 75% of the voting Equity Shares (or, where the Company concerned has obtained the initial listing of its shares by making an offer of at least 10% of the issue size to the public pursuant to Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, less than 90% of the Equity Shares or voting rights in such Company) also requires the making of an open offer to acquire a minimum of 20% of the voting Equity Shares or where the further acquisition is by way of a tender offer, such number of voting Equity Shares as would not result in the public shareholding being reduced to less than the minimum specified in the listing agreement with the stock exchanges, within the time period prescribed therein, to maintain continuous listing. These provisions may discourage or prevent certain types of transactions involving an actual or threatened change in control of the Company.

22. You may be subject to Indian taxes arising out of capital gains on the sale of the underlying Equity Shares.

- Capital gains arising from the sale of shares in an Indian Company are generally taxable in India. Any gain realised on the sale of listed equity shares on a recognised stock exchange held for more than 12 months will not be subject to capital gains tax in India if the Securities Transaction Tax (“STT”) has been paid on the transaction. The STT will be levied on and collected by a domestic stock exchange on which equity shares are sold.
- Any gain realized on the sale of equity shares held for more than 12 months, which are sold other than on a recognized stock exchange and as result of which no STT has been paid, will be subject to normal long term capital gains tax in India.
- Any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to concessional capital gains tax in India where STT has been paid on the transaction.
- Any gain on sale of equity share held for a period of 12 months or less, which are not subject to STT will be charged to normal short term capital gain tax.

However, any capital gain tax in India will be subject to Double Tax Avoidance Tax Treaty between India and the country of which the seller is a resident.

23. You may be restricted in your ability to exercise preemptive rights under Indian law and thereby may suffer future dilution of your ownership position.

Under the Indian Companies Act, 2013, as amended, a public Company incorporated in India must offer its holders of equity shares preemptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the preemptive rights have been waived by adoption of a special resolution by holders of three-fourths of the shares which are voted on the resolution. However, if the law of the jurisdiction of the investor does not permit the exercise of such preemptive rights without the Company filing an offering document or registration statement with the applicable authority in the relevant jurisdiction, such investor will be unable to exercise such preemptive rights unless the Company makes such a filing. The Company may elect not to file a registration statement related to preemptive rights otherwise available by Indian law to such investors. If the Company decides not to file a registration statement, the new Bonds may be issued to a custodian for such holders of the Equity Shares, which may sell the Bonds for the benefit of such holders. The value, if any, such custodian would receive upon the sale of such Bonds and the related transaction costs cannot be predicted. To the extent that such holders are unable to exercise preemptive rights granted in respect of the Equity Shares, such investors’ proportional interests in the Company would be reduced.

24. Economic developments and volatility in Bonds markets in other countries may cause the price of our Equity Shares to decline

The Indian economy and its Bonds markets are influenced by economic developments and volatility in Bonds markets in other countries. Investors’ reactions to developments in one country may have adverse effects on the market price of Bonds of companies located in other countries, including India. For instance, the economic downturn in the United States and several European countries during a part of 2001 to 2003 adversely affected market prices in the world’s Bonds markets, including Indian Bonds markets. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may negatively affect investor confidence and cause increased volatility in Indian Bonds markets and indirectly affect the Indian economy in general.

25. There may be less Company information available in the Indian Bonds market than Bonds markets in developed countries

There may be differences between the level of regulation and monitoring of the India Bonds markets and The activities of investors, brokers, and other participants and that of the markets in the United States and other developed countries. SEBI is responsible for approving and improving disclosure and other regulatory standards for the Indian Bonds markets. SEBI has issued regulations and guidelines on disclosure requirements, insider trading and other matters. There may, however, be less publicly available information about Indian companies than is regularly made available

by public companies in developed countries.

RISKS ASSOCIATED WITH THE SHARES AND BONDS

26. The market value of the Shares may fluctuate due to the volatility of the Indian Bonds market

The Indian Bonds markets may be more volatile than the Bonds markets in certain countries. The Indian Stock Exchanges have, in the past, experienced substantial fluctuations in the prices of listed Bonds.

The Indian Stock Exchanges (including the BSE and the NSE) have experienced problems which, if such or similar problems were to continue or recur, could affect the market price and liquidity of the Bonds of Indian companies, including the Shares. These problems have included broker defaults and settlement delays. In addition, the governing bodies of the Indian Stock Exchanges have from time to time imposed restrictions on trading in certain Bonds, limitations on price movements and margin requirements. Furthermore, from time to time disputes have occurred between listed companies and stock exchanges and other regulatory bodies, which in some cases may have had a negative, effect on market sentiment.

SEBI received statutory powers in 1992 to assist it in carrying out its responsibility for improving disclosure and other regulatory standards for the Indian Bonds markets. Subsequently, SEBI has prescribed certain regulations and guidelines in relation to disclosure requirements, insider trading and other matters relevant to the Indian Bonds market. There may, however, be less publicly available information about Indian companies than is regularly made available by public companies in certain countries.

There is no existing market for the Bonds and an active market for the Bonds may not develop, which may cause the price of the Bonds to fall.

The Bonds are a new issue of Bonds for which there is currently no trading market.. No assurance can be given that an active trading market for the Bonds will develop or as to the liquidity or sustainability of any such market, the ability of holders to sell their Bonds or the price at which holders of the Bonds will be able to sell their Bonds. If an active market for the Bonds fails to develop or be sustained, the trading price of the Bonds could fall. If an active trading market were to develop, the Bonds could trade at prices that may be lower than the initial offering price of the Bonds. The Lead Manager is not obligated to make a market in the Bonds.

If a market for the Bonds were to develop, the Bonds could trade at prices that may be higher or lower than the price originally paid for them depending on many factors, including:

- the market for similar Bonds;
- general economic conditions;
- the Issuer's financial condition, results of operations and future prospects;
- prevailing interest rates;
- the financial condition and stability of the Indian and other Asian financial sectors; and
- political, legal, and economic developments in India, the rest of Asia or the United States of America.

27. The Bondholders may be subject to Indian taxes arising out of capital gains on the sale of the Share following exercise of conversion rights.

Taxation upon Conversion of Notes/Bonds into Shares

Section 47(x) of the Income Tax Act, 1961, provides exemption in case of any transfer by way of conversion of bonds into share.

Taxation on sale of Shares

If equity shares listed on a stock exchange are sold within 12 months of purchase, the seller may make short term capital gain (STCG) or incur a short-term capital loss (STCL). The seller makes short-term capital gain when shares are sold at a price higher than the purchase price. If equity shares listed on a stock exchange are sold after 12 months of purchase, the seller may make a long-term capital gain (LTCG) or incur a long-term capital loss (LTCL).

Tax on long-term capital gain

Generally, long-term capital gains are charged to tax at 20% (plus surcharge and cess as applicable), but in certain special cases, the gain may be (at the option of the taxpayer) charged to tax at 10% (plus surcharge and cess as applicable). The benefit of charging long-term capital gain at 10% is available only in following cases:

- 1) Long-term capital gains arising from sale of listed Bonds and it exceeds Rs. 1,00,000 (Section 112A);
- 2) Long-term capital gains arising from transfer of any of the following asset: a) Any security which is listed in a recognised stock exchange in India; b) Any unit of UTI or mutual fund (whether listed or not) (\$); and c) Zero coupon bonds

The Finance Act, 2018 inserts a new Section 112A with effect from Assessment Year 2019-20. As per the new section capital gains arising from transfer of a long term capital asset being an equity share in a company or a unit of an equity oriented fund or a unit of a business trust shall be taxed at the rate of 10 per cent of such capital gains exceeding Rs. 1,00,000.

This concessional rate of 10 per cent will be applicable if:

- a) in a case of an equity share in a company, securities transaction tax has been paid on both acquisition and transfer of such capital asset; and
- b) in a case a unit of an equity oriented fund or a unit of a business trust, STT has been paid on transfer of such capital asset.

Short-Term Capital Gains (STCG) arising on account of sale of equity shares

Short-Term Capital Gains (STCG) arising on account of sale of equity shares listed in a recognised stock exchange, units of equity oriented mutual fund and units of business trust i.e., STCG covered under section 111A.

Section 111A is applicable in case of STCG arising on transfer of equity shares or units of equity oriented mutual-funds or units of business trust, which are transferred on or after 1-10-2004 through a recognised stock exchange and such transaction is liable to securities transaction tax (STT). (*) Equity oriented mutual fund means a mutual fund specified under section 10(23D) and 65% of its investible funds, out of total proceeds are invested in equity shares of domestic companies.

If the conditions of section 111A as given above are satisfied, then the STCG is termed as STCG covered under section 111A. Such gain is charged to tax at 15% (plus surcharge and cess as applicable).

With effect from Assessment Year 2017-18, benefit of concessional tax rate of 15% shall be available even where STT is not paid, provided that

- transaction is undertaken on a recognised stock exchange located in any International Financial Service Centre, and
- consideration is paid or payable in foreign currency.

Investors are advised to consult their own tax advisers and to carefully consider the potential tax consequences of an investment in the Bonds or Shares under the laws of India having regard to residence status and Double Tax Avoidance Agreement (DTAA).

28. The ability of holders to sell to a resident of India any Shares they received upon conversion of these Bonds may be subject to delays if specific RBI approval is required

A person resident outside India (including a Non-Resident Indian) is generally permitted to transfer by way of sale the shares held by him to any other person resident in India without the prior approval of the RBI. However, it should be noted that the price at which the aforesaid transfer takes place must comply with the pricing guidelines prescribed by the RBI in terms of FDI Policy dated October 15, 2020, general permission is also available for transfer of shares/convertible debentures, by way of sale under private arrangement by a person resident outside India to a person resident in India, subject to the guidelines mentioned under Foreign Exchange Management (Non-debt Instruments) Rules, 2019.

- The guidelines stipulate that where the shares of an Indian company are traded on a stock exchange:
 - The sale be at the prevailing market price on the stock exchange if the sale is effected through a merchant banker registered with SEBI or through a stock broker registered with the stock exchange; or
 - If the transfer is other than that referred to above, the price shall be arrived at by taking the average quotations

(average of daily high and low) for one week preceding the date of application with a 5% variation. Where, however, the shares are being sold by the foreign collaborator or the foreign promoter of the Indian company to the existing promoters in India with the objective of passing management control in favour of the resident promoters the proposal for sale will be considered at a price which may be higher by up to a ceiling of 25 percent over the price arrived at as above.

29. Significant differences exist with IND AS accounting standards used throughout the Issuer's financial information and other accounting principles with which investors may be more familiar

The Issuer's financial statements are prepared in conformity with the generally accepted accounting principles followed in India ("*IND AS accounting standards*"), consistently applied during the periods stated and no attempt has been made to reconcile any of the information given in this Offering Memorandum to any other principles or to base it on any other standards. *IND AS* differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries. Significant differences exist between *IND AS accounting standards* and IFRS, which may be material to the financial information contained in this Offering Memorandum. The Issuer has made no attempt to quantify the effect of any of these differences and *IND AS accounting standards* does not require such quantification.

30. Bondholders will face the risk of fluctuations in the price of the Shares

The market price of the Bonds is expected to be affected by fluctuations in the market price of the Shares, and it is not possible to predict whether the price of the Shares will rise or fall. Trading prices of the Shares will be influenced by, among other things, the Issuer's financial position and the results of operations and political, economic, financial, and other factors. Any decline in the price of the Shares may have an adverse effect on the market price of the Bonds.

31. Holders of the Bonds will have no rights as Shareholders until they acquire the Shares upon conversion of the Bonds

Unless and until they acquire the Shares upon conversion of the Bonds, the holders of the Bonds will have no rights with respect to the Shares, including any voting rights or rights to receive any regular dividends or other distributions with respect to the Shares. Holders of Bonds who acquire the Shares upon the exercise of a Conversion Right will be entitled to exercise the rights of holders of the Shares only as to action for which the applicable record date occurs after the Conversion Date.

32. There are limitations on the ability of Bondholders to exercise conversion rights

The Bonds are convertible into Shares at the option of the holders pursuant to the terms of the Bonds. Holders of the Bonds will be able to exercise their conversion right only within the Conversion Period specified in the Bonds and will not be able to exercise their conversion right during the Closed Periods (as defined in the terms and Conditions of the Notes).

33. The Bonds and the Shares are subject to transfer restrictions

The Bonds and the Shares are being offered in transactions not required to be registered under the Securities Act. Therefore, the Bonds and the Shares may be transferred or resold only in a transaction registered under or exempt from the registration requirements of the Securities Act and in compliance with any other applicable securities laws.

34. Fluctuations in the exchange rate between the Rupee and the US dollar may have a material adverse effect on the value of the Bonds in US dollar terms

Although the principal amount of the Bonds is denominated in US dollars, the Shares are listed on the Indian Stock Exchanges, on which the Shares are quoted and traded in Rupees. As a result, fluctuations in the exchange rate between the Rupee and the US dollar will affect, among other things, the secondary market price of the Bonds and the US dollar equivalent of the Shares received upon conversion of the Bonds.

The exchange rate between the Rupee and the US dollar has changed substantially in the last two decades and could fluctuate in the future. In recent years, the Rupee has appreciated against the US dollar. As per RBI, the exchange rate as on 7th November 2022 was USD 1 = Rs. 82.60

The imposition of foreign exchange restrictions may have an adverse effect on foreign investors' ability to acquire Indian Bonds, including the Bonds and Shares, or repatriate the interest, dividends, or sale proceeds from those Bonds

The Government may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Government experiences extreme difficulty in

stabilizing the balance of payments or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Government's approval before acquiring Indian Bonds or repatriating the interest or dividends from those Bonds or the proceeds from the sale of those Bonds. No assurance can be given that these restrictions will not adversely affect, among other things, the secondary market price of the Bonds.

35. No payment of principal or interest on the Bonds may be made unless the requisite approvals of the RBI have been obtained in the event of early redemption of the Bonds

The Conditions of the Bonds provide that no payments of principal or premium (if any) may be made if requisite approvals of the RBI have not been obtained in the event of early redemption of the Bonds prior to Maturity Date or any other applicable Indian laws and restrictions have not been complied with, which approvals the Issuer will use reasonable endeavors to obtain, but the Issuer will not be in default for not making payment if the requisite approvals have not been obtained.

36. Indian dividend taxes or surcharges could negatively affect the Issuer's tax liability

The dividend received from an Indian company was exempt until 31 March 2020 (FY 2019-20). That was because the company declaring such a dividend already paid dividend distribution tax (DDT) before making payment. However, the Finance Act, 2020 changed the method of dividend taxation. Henceforth, all dividend received on or after 1 April 2020 is taxable in the hands of the investor/shareholder. The Dividend Distribution Tax liability on companies and mutual funds stand withdrawn. Similarly, the tax of 10% on dividend receipts of resident individuals, HUF, and firms in excess of Rs 10 lakh (Section 115BBDA) also stands withdrawn.

TDS on dividend income

The Finance Act, 2020 under Section 194O has imposed TDS on dividend distribution by companies and mutual funds on or after 1 April 2020.

The normal rate of TDS for Resident in India is 10% on dividend income paid in excess of Rs 5,000 from a company or mutual fund. However, as a COVID-19 relief measure, the government reduced the TDS rate to 7.5% for distribution from 14 May 2020 until 31 March 2021.

The tax deducted will be available as a credit from the total tax liability of the taxpayer while filing ITR.

TDS on dividend income for Non-resident Indian

For non-resident persons, TDS is required to be deducted at the rate of 20% plus applicable surcharge and 4% health & education cess or (b) at a rate under the DTAA (double taxation avoidance agreement), if any. To avail the benefit of lower deduction due to beneficial treaty rate with country of residence, the non-resident has to submit documentary proof such as Form 10F, declaration of beneficial ownership, certificate of tax residency etc. In absence of submission of these documents, higher TDS would be deducted which can be claimed at the time of filing ITR.

37. There may be a delay from when a holder decides to convert Bonds into Shares until the time the resulting Shares are approved to be listed and traded on the Indian Stock Exchanges and, therefore, it is possible that the share price may fluctuate during that period

There may be a time gap of 45 days from the date on which a Bondholder advises the Principal Paying and Conversion Agent of the intention to convert the Bonds into Shares and the date on which the Indian Exchanges grant final approval for the Shares to be listed and traded. Within this gap, the price of the Shares may fluctuate, which may have an adverse effect on the price that the Bondholder anticipated to receive for the transfer of Shares. Further, any trade of the Shares will have to be made on a spot delivery basis and the trade will have to be settled within the next settlement cycle.

38. There are restrictions on daily movements in the price of the Shares, which may adversely affect a Bondholder's ability to sell, or the price at which it can sell, Shares at a particular point in time

The Issuer is subject to a daily circuit breaker imposed by all stock exchanges in India which does not allow transactions beyond certain volatility in the price of the Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by the SEBI on Indian stock exchanges. The percentage limit on the Issuer's circuit breaker is set by the stock exchanges based on the historical volatility in the price and trading volume of the Shares. The stock exchanges do not inform the Issuer of the percentage limit of the circuit breaker from and may change it without the Issuer's knowledge. This circuit breaker effectively limits the upward and downward movements in the price of the

Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of Shareholders to sell the underlying Shares or the price at which Shareholders may be able to sell their Shares at a particular time.

39. Upon a change of control, delisting of the Shares from the BSE, NSE or an event of default, the Issuer may not be in a position to redeem the Bonds

Upon a change of control of the Issuer, a delisting of the Shares from the BSE, NSE or an event of default under the terms and conditions of the Bonds resulting in an acceleration of the Bonds, Bondholders may require the Issuer to repurchase all (or a portion of) such Bondholder's Bonds. The Issuer may not be able to repurchase all or any of such Bonds or pay all amounts due under the Bonds if (i) the requisite RBI regulatory approval is not received or (ii) the Issuer does not have sufficient cash flow to repurchase or repay the Bonds.

USE OF PROCEEDS

The gross proceeds of this Issue (comprising aggregate proceeds from the issuance of the Bonds) shall be USD80.75Million. The Proceeds from the issue of the Bonds will be used for “Overseas Business expansion Investments through joint venture(s) and its wholly owned foreign subsidiary company” and shall not utilize the subscription amount for any other purpose. The proceeds of this Issue will be used by the Issuer in accordance with the ECB Guidelines.

PROPOSED HOUSING SCHEME

(TWO & THREE BEDROOM APARTMENTS) FOR THE MINISTRY OF WORKS AND HOUSING

KBC Global Limited

GHANA AFFORDABLE HOUSING PROJECT

PROJECT SUMMARY

Introduction

KBC Global Limited is teaming up with international housing delivery groups to deliver apartments using pre-cast concrete technology.

Project Objective

1. To solve Ghana’s huge housing deficit of over 2.7 million.
2. To provide affordable housing and infrastructure solution for middle and lower income government workers as well as workers in private sector institutions.

Design Details / Contract Information

[a] Total Number of Housing Units to be Constructed and Per Year

It is projected to develop a total of 200,000 residential as follows:

- Two Bedroom Apartments: 1200 new two-bedroom apartments.
- Three Bedroom Apartments: 800 new three-bedroom apartments.

Design	Description	Percentage	No of Units to Build	Unit Floor Area	Total Floor Area
A1	4-Storey, 8-unit, 2 Bedroom Apartment	60%	1200	80	96,000
A2	4-Storey, 8-unit, 3 Bedroom Apartment	40%	800	95	76,000
Total		100%	2000		1,72,000

[b] Community Facilities

Homeowners will get to enjoy community features such as:

- Community garden, clubhouse/activity centre, children area, and senior citizen area
- An entrance Security Gatehouse, Police Station, and bus/taxi drop-off station.
- A Mini Market, Offices & Shopping Block
- A Basic School Block.
- Adequate facilities for sports, recreation, leisure and relaxation set up to cater for residents free time activities include – football park, outdoor tennis courts, volleyball court, basketball court, jogging track, seating area, fitness centre/gym.
- Waste Treatment Plant to control, collect, process, utilize and dispose of 250 tons/day of solid waste and sanitary sewage wastewater.
- A Small Town Water Supply System – Mechanized Bore Hole System with Overhead Water Tanks to provide clean water for residents.

[c] Summary of Project Details for Various Phases

Generally, construction work will take place in phases over ten (10) years as follows:

Description	No of Units to be Built							
	A1: 2-Bedroom Apartment			A2: 3-Bedroom Apartment			Total	
	No of Units	Unit Floor Area	Total Floor Area	No of Units	Unit Floor Area	Total Floor Area	No of Units	Total Floor Area
Phase 1/Year 1	300	80	24000	200	95	19000	500	43,000
Phase 2/Year 2	300	80	24000	200	95	19000	500	43,000
Phase 3/Year 3	300	80	24000	200	95	19000	500	43,000
Phase 4/Year 4	300	80	24000	200	95	19000	500	43,000
Total	1200	320	96,000	800		76,000	2000	172000

[d] Duration of Project Implementation in Month/Year

The total term for the construction and delivery of the Project comprising the turnkey construction of units with the provision of infrastructure amounts to **Four (4) years** or **Forty Eight (48) months**. The expected end date is 31st December 2026, if the project starts by 1st January 2023.

Project Delivery Milestones

Number of Years	Number of Units
0 – 1	500
1 – 2	500
2 – 3	500
3 – 4	500
Total	2000

[e] Summary Of Project Details by Location

The project foresees the development of 1200 two-bedroom four-storey and 800 three-bedroom four-storey apartments across all the sixteen Regions of Ghana as follows:

No	Region	No of Units		Total	
		2 Bedroom s	3 Bedroom s		
1	Greater Accra	336	224	56	
2	Ashanti	216	144	36	
3	Volta	22	15	36	
4	Oti	22	15	36	

5	Central	44	28	72
6	Eastern	109	72	181
7	Western	109	73	182
8	Western North	77	51	128
9	Bono	47	32	79
10	Bono East	50	33	83
11	Ahafo	33	22	55
12	Northern	27	19	46
13	North East	20	13	33
14	Savannah	40	26	66
15	Upper West	28	20	48
16	Upper East	20	13	33
Total		1200	800	2000



PROJECT COST

The detailed development is said to cost United States Dollars Ten Billion Sixteen Million One Hundred Ninety-Six Thousand Four Hundred and Sixty-Four (\$10,016,196,464) over ten (10) years, with the following breakdown:

Design	Description	SQM per Unit	Cost per m2 (\$)	Cost per Unit (\$)	No. of Units Built	Contract Amount (\$)	% of Cost
A1	2-Bedroom Apartment	80	499.25	37,881.25	1,200	45,457,500	47.85%
A2	3-Bedroom Apartment (+ Master BR)	95	499.37	44,994.38	800	35,995,500	37.89%
	Total (A)				2,000	81,453,000	85.74%
	Provision for Infrastructural Works Cost - 10.8% of Housing Construction Cost (B)					8,797,000	9.26%
	Physical Construction Cost (PCC = A + B)					90,250,000	95.00%
	Contingencies (5% PCC)					4,750,000	5.00%
	Overall Project Cost					95,000,000	100.00%

Contract Sum =	(\$95,000,000)
-----------------------	-----------------------

The detailed Bill of Quantities developed are available. The Grand Summary for the construction is as follows:

Grand Summary For Construction:	\$95,000,000
Average Cost Per Unit:	
2-Bedroom Apartment \$ 37,881.25	
3-Bedroom Apartment (+ Master BR) \$ 44,994.38	

Finance of the project cost will be 100% private. The KBC Global Limited will finance the total construction cost against a bank guarantee from Government.

INVESTMENT REQUIREMENT

A loan of United States Dollars Ninety Five Million (\$95,000,000) is required for a period of 3 years.

EXPECTED ROLE OF THE KBC Global Limited –

1. To provide financing for the project from international sources to pay for Project costs.
2. To sign Contracts with the Employer and implement Project on a Turnkey basis as the local contractor.
3. To introduce the Pre-cast Concrete Building Technology, and provide the personnel to train the local workers on the technology.
4. To supply materials/equipment from local/international sources for delivery of the Project.
5. To arrange own Bank or Financial Guarantees for the Employer (Government of Ghana) as security for the Project loan against a valid Employer Promissory Note or Off-take Agreement.
6. To help recruit qualified consulting engineers and construction employees as needed.
7. To provide the local consulting support for the effective implementation of projects.

ANNEX A – BUILDING DESIGN

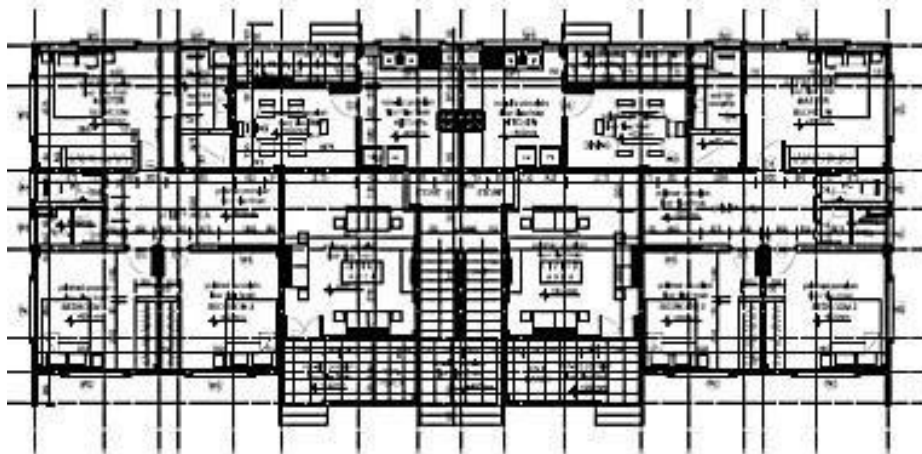
& THREE-BEDROOM

Two Bedroom Floor Plan

OPTION 1)



Three Bedroom Floor Plan



Elevation

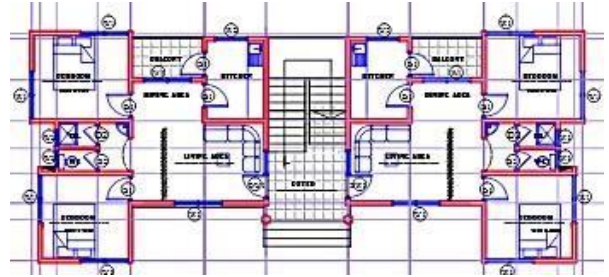
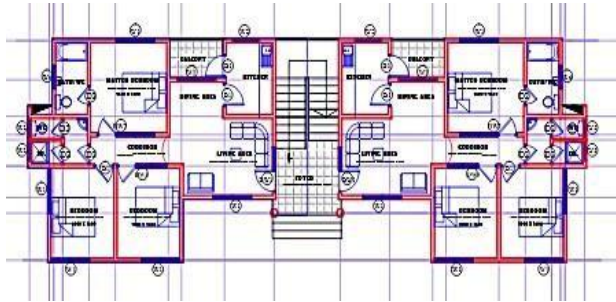


Two Bedroom Floor Plan
Front Elevation

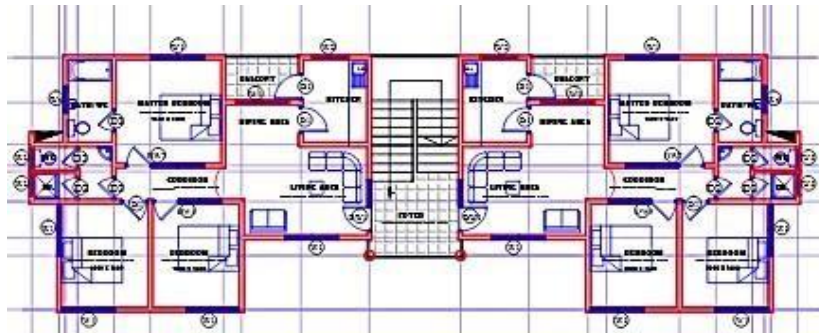
Right Elevation

& THREE-BEDROOM

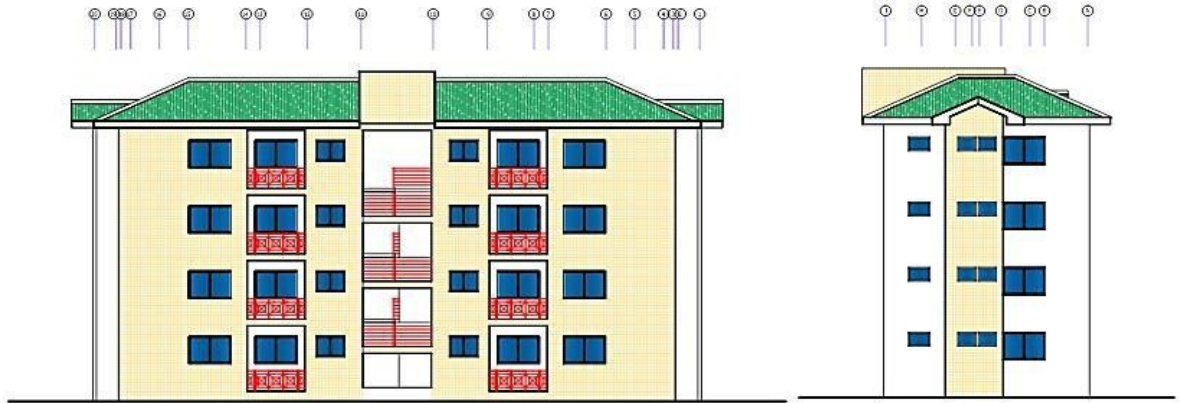
OPTION 2)



Three Bedroom Floor Plan



Two Bedroom Floor Plan Elevation

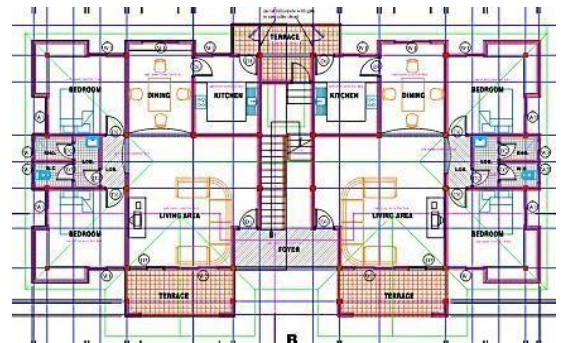
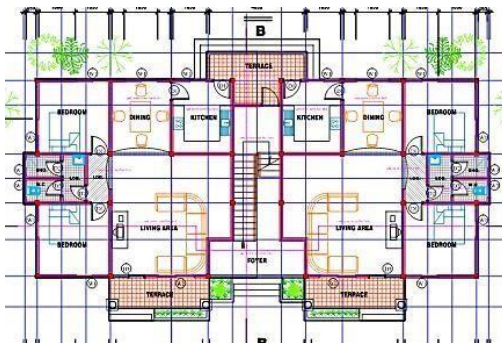


Front Elevation

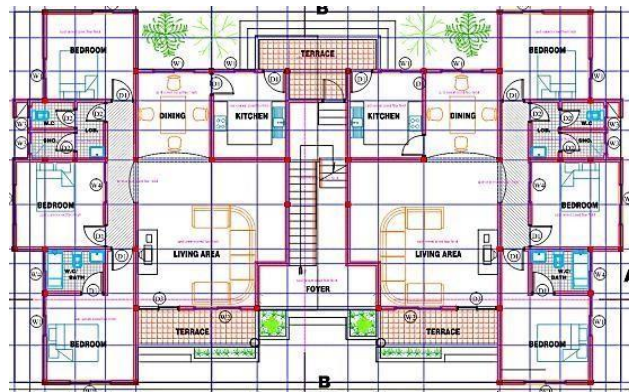
Right Elevation

& THREE-BEDROOM

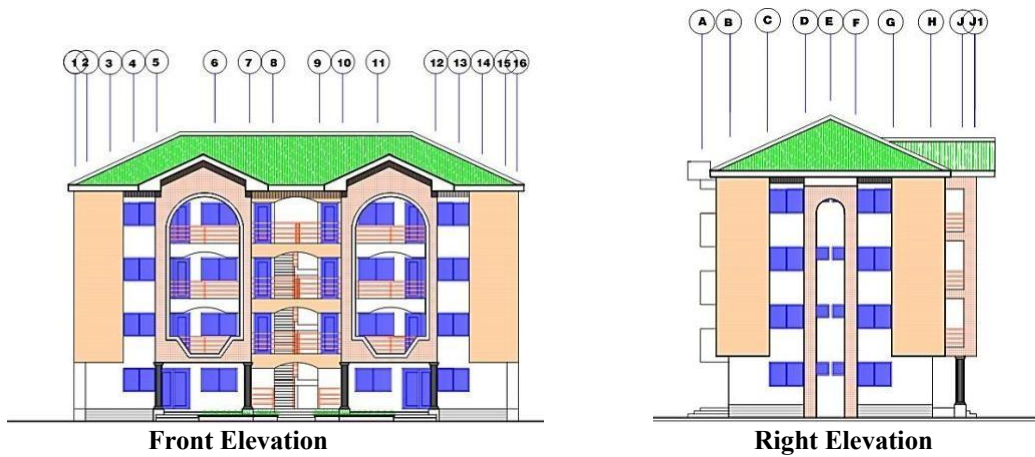
OPTION 3)



Two Bedroom Floor Plan Three Bedroom Floor Plan



Elevation



Front Elevation

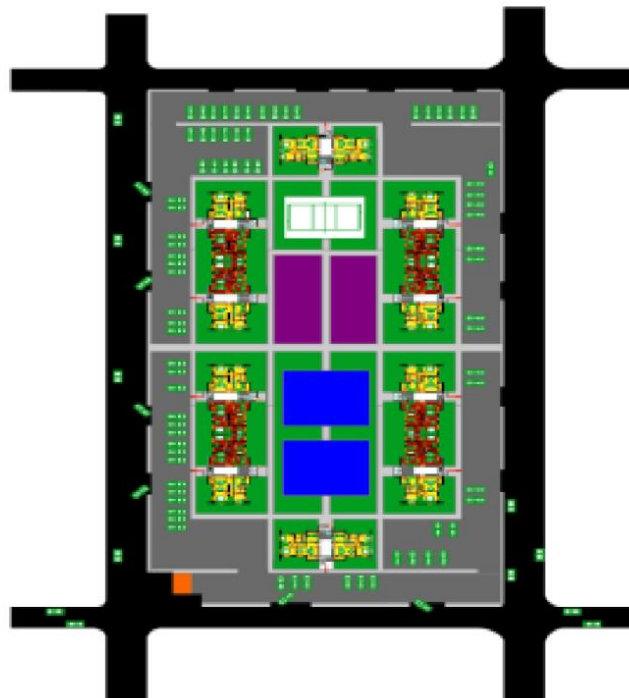
Right Elevation

THE AFFORDABLE HOUSING PROJECT

TYPICAL COMPOUND OF RESIDENTIAL ACCOMODATION BLOCKS



TYPICAL COMPOUND OF RESIDENTIAL ACCOMODATION BLOCKS BLOCK PLAN



LEGEND

	ROAD
	GREEN AREA
	BUS TERMINAL
	WALK WAY / PAVEMENT
	CAR PARK
	SITTING AREA
	TWO BEDROOM
	THREE BEDROOM
	PLAYING FIELD

**ANNEX B – BILL OF QUANTITIES FOR THE PROPOSED
“AFFORDABLE HOUSING PROJECT”:**

SUMMARY OF COST ESTIMATES

**BILL OF QUANTITIES FOR THE PROPOSED "AFFORDABLE HOUSING
PROJECT" SUMMARY OF COST ESTIMATES
*Detailed Quantities are available***

	<i>4 Storey, 8 Unit, 2-BR Apartment</i>	<i>4 Storey, 8 Unit, 3-BR Apartment</i>
<u>SUMMARY OF COST ESTIMATES PER UNIT</u>	<i>Option 1, 2 & 3 (80 sqm)</i>	<i>Option 1, 2 & 3 (95 sqm)</i>
Sub-Structure, Upper Floors, Roofing	11,470.54	13,624.47
Walls & Partitions - Blockwork	4,714.76	5,600.12
Stairs, Handrails and Balustrades	1,200.37	1,425.20
External Walls	687.89	816.21
Internal Walls & Partitions	360.71	429.12
Windows & Doors	3,507.49	4,166.13
Ironmongery	2,518.02	2,992.14
Finishings & Fittings	8,107.92	9,631.07
Sanitary Appliances & Fittings	2,305.15	2,737.01
Electrical Installation	2,056.80	2,442.79
Telecom Installation	593.80	705.86
Other Works	357.79	424.24
Sub-Total	37,881.25	44,994.38

<u>SUMMARY OF COST ESTIMATES</u>	<i>4 Storey, 8 Unit, 2- BR Apartment</i>	<i>4 Storey, 8 Unit 3- BR Apartment</i>	<i>Total</i>
<u>ALL UNITS</u>	<i>(80 sqm)</i>	<i>(95 sqm)</i>	
Number of Blocks	150	100	250
Number of Units	1,200	800	2,000
Gross Floor Area per unit (sq.m)	80	95	
Gross Floor Area All Units (sq.m)	9,600,000	7,600,000	17,200,000
Cost per Unit (\$)	37,881.25	44,994.38	
Cost of All Units (\$)	45,457,500	35,995,500	81,453,000
Cost Per Floor Area (\$)	499.25	499.37	499.3
Sub-Total	45,457,500	35,995,500	81,453,000

Cost of All Units (\$)	81,453,000
Infrastructural Works Cost (\$) – 11%	8,797,000
Physical Construction Cost (PCC-\$)	90,250,000
Preliminaries/ Contingencies (\$): 4.76%	4,750,000
GRAND SUMMARY FOR CONSTRUCTION COST	95,000,000
AVERAGE COST PER UNIT 2-Bedroom Apartment	37,881.25
AVERAGE COST PER UNIT 3-Bedroom Apartment (+ Master BR)	44,994.38
AVERAGE CONSTRUCTION COST PER SQUARE METER	499

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following management's discussion and analysis of our Company's financial condition and results of operations is intended to convey management's perspective on the operating performance and financial condition of our Company as at and for the fiscal years ended March 31, 2020, 2021 and 2022 and the six months ended September 30, 2022 on a consolidated basis. This disclosure is intended to assist in understanding and interpreting the financial statements of our Company included in this Offering Circular. The discussion should be read in conjunction with "Presentation of Financial Information", "Selected Consolidated Financial and Other Information", "Capitalization", and the Annual Consolidated Financial Statements of our Company and the accompanying schedules and notes.

The following discussion contains certain forward-looking statements. These statements are based on management's current projections and expectations about future events. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of many important factors, including those set out under "Risk Factors" and elsewhere in this Offering Circular. See "Forward-Looking Statements and Associated Risks." Further information regarding the presentation of financial information is set out under the heading "Presentation of Financial Information."

BUSINESS OVERVIEW

KBC Global Limited (previously known as Karda Constructions) is engaged in construction business i.e., Construction Development: Townships, Housing. KBC has complied with all the compliances for Development of Township under Standalone FDI Policy dated October 15, 2020 issued by the Department for Promotion of Industry and Internal Trade.

The Company focuses on quality and affordable developments. It has an established brand and reputation and a track record of developing innovative projects through its emphasis on contemporary architecture strong project execution and quality construction in the real estate industry. The Company has presence across all real estate segments such as low medium and premium. The Company also undertakes construction contracts. 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 the promoter Mr. Naresh Karda in year 1994. In the years following its inception the group concentrated on developing affordable housing in the residential segment and from year 2001 onwards the group diversified into commercial segment.

We are headquartered in Nashik, India.

Our shares are publicly listed on the Bombay Stock Exchange and National Stock Exchange. As of September 30, 2022 we had a market capitalization of approximately INR 10,824 million.

RESULTS OF OUR OPERATIONS

(Amount ₹ in lacs)

Particulars	For the Period ended				For the year ended March 31					
	Jun 30, 2022	% of Total	Jun 30, 2021	% of Total	2022	% of Total	2021	% of Total	2020	% of Total
INCOME										
Revenue from Operations	1,440.48	99.05%	2,574.43	91.89%	10,164.52	91.31%	12,882.72	94.47%	11,412.14	96.44%
Other Income	13.88	0.95%	227.28	8.11%	967.28	8.69%	753.56	5.53%	421.35	3.56%
Total Income (A)	1,454.35	100%	2,801.71	100%	11,131.80	100%	13,636.29	100%	11,833.49	100%

EXPENDITURE										
Cost of raw materials consumed	1302.63	97.54%	1379.83	71.26%	5758.58	65.95%	6528.17	60.20%	8013.47	76.50%
Direct Expenses	5.08	0.38%	49.59	2.56%	146.85	1.68%	339.50	3.13%	615.71	5.88%
Changes in inventories of work-in-progress and finished goods	-390.83	-29.26%	62.26	3.21%	582.87	6.67%	2025.38	18.68%	-932.69	-8.91%
Employee benefits expense	72.74	5.45%	65.88	3.40%	265.47	3.04%	304.68	2.81%	345.34	3.30%
Finance costs	233.84	17.51%	301.29	15.56%	1,430.47	16.38%	1,455.52	13.42%	1,785.18	17.04%
Depreciation and Amortization expense	3.29	0.25%	2.97	0.15%	12.45	0.14%	10.87	0.10%	17.53	0.17%
Other expenses	108.73	8.13%	74.65	3.86%	535.36	6.14%	179.57	1.66%	631.09	6.02%
Total Expenses (B)	1,335.47	100%	1,936.46	100%	8,732.04	100%	10,843.68	100%	10,475.62	100%
Profit before tax	118.88	8.17%	865.25	30.88%	2,399.76	21.56%	2,792.60	20.48%	1,264.74	10.69%
<i>Tax expense:</i>										
(i) Current tax	15.38	97.10%	250.33	99.73%	664.29	99.57%	760.50	99.17%	327.70	108.83%
(ii) Deferred tax	0.46	2.90%	0.68	0.27%	2.89	0.43%	6.34	0.83%	(26.60)	-8.83%
Total Tax Expense	15.85	100%	251.01	100%	667.18	100%	766.84	100%	301.10	100%
Net Profit After Tax for the year	103.03	7.08%	614.24	21.92%	1,732.57	15.56%	2,025.77	14.86%	963.64	8.14%
Other Comprehensive Income	(2.02)		(2.02)		(8.10)		(8.10)		(8.10)	

Cash Flows

(Amount ₹ in lacs)

Particulars	For the year ended March 31,		
	2022	2021	2020
Net Cash from Operating Activities	(1,974.71)	3,450.65	4,453.92
Net Cash from Investing Activities	3,712.78	(231.63)	(1,544.92)
Net Cash used in Financing Activities	(1,726.06)	(3,219.04)	(3,522.65)

*Data of stab period releted to June 30, 2022 and June 30,2021 is not Applicable to the company .

Main Components of our Profit and Loss Account

Income

Our total income comprises of revenue from operations and other income.

Revenue from Operations

Our revenue from operation as a percentage of our total income was 91.31%, 94.47% and 96.44% for the Financial Years ended March 31, 2022, March 31, 2021 and March 31, 2020 respectively.

Other Income

It is the income earned from discounts, interest income, insurance claims, exchange fluctuation, etc.

Expenditure

Our total expenditure primarily consists of cost of raw materials consumed, direct expenses, changes in inventories of work-in-progress and finished goods, employee benefit expenses, finance costs and Other Expenses.

Employee Benefit Expenses

Our employee benefits expense comprises of salary and allowances, Contribution to PF, ESIC, Directors remuneration, gratuity and staff welfare expenses.

Finance costs

Our Finance cost expenses comprises of interest on borrowings, interest on delayed payment of taxes, other borrowing costs, etc.

Other Expenses

Other expenses primarily include remuneration to Auditor, communication expenses, insurance, stationary & printing expenses, legal and professional charges, repairs and maintenance expenses, miscellaneous expenses, sales and proton expenses, security charges, travelling expenses and rates & taxes, etc.

Provision for Tax

The provision for current taxation is computed in accordance with relevant tax regulation. Deferred tax is recognized on timing differences between the accounting and the taxable income for the year and quantified using the tax rates and laws enacted or subsequently enacted as on balance sheet date. Deferred tax assets are recognized and carried forward to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized in future.

INDUSTRY— REAL ESTATE

Background and history of Real Estate Industry

The real estate sector is one of the most globally recognized sectors. It comprises of four sub-sectors - housing, retail, hospitality, and commercial. The growth of this sector is well complemented by the growth in the corporate environment and the demand for office space as well as urban and semi-urban accommodation. The construction industry ranks third among the 14 major sectors in terms of direct, indirect and induced effects in all sectors of the economy.

In India, the real estate sector is the second-highest employment generator, after the agriculture sector. It is also expected that this sector will incur more non-resident Indian (NRI) investment, both in the short term and the long term. Bengaluru is expected to be the most favoured property investment destination for NRIs, followed by Ahmedabad, Pune, Chennai, Goa, Delhi and Dehradun.

Market Size

By 2040, real estate market will grow to Rs. 65,000 crore (US\$ 9.30 billion) from Rs. 12,000 crore (US\$ 1.72 billion) in 2019. Real estate sector in India is expected to reach US\$ 1 trillion in market size by 2030, up from US\$ 200 billion in 2021 and contribute 13% to the country's GDP by 2025. Retail, hospitality, and commercial real estate are also growing significantly, providing the much-needed infrastructure for India's growing needs. India's real estate sector saw over 1,700 acres of land deals in the top 7 cities in 1 year. Foreign investments in the commercial real estate sector were at US\$ 10.3 billion from 2017-21. As of February 2022, Developers expect demand for office spaces in SEZs to shoot up after the replacement of the existing SEZs act.

As per ICRA estimates, Indian firms are expected to raise >Rs. 3.5 trillion (US\$ 48 billion) through infrastructure and real estate investment trusts in 2022, as compared with raised funds worth US\$ 29 billion to date. The office market in the top eight cities recorded transactions of 22.2 msf from July 2020 to December 2020, whereas new completions were recorded at 17.2 msf in the same period. In terms of share of sectoral occupiers, Information Technology (IT/ITeS) sector dominated with a 41% share in the second half of 2020, followed by BSFI and Manufacturing sectors with 16% each, while Other Services and Co-working sectors recorded 17% and 10%, respectively. Around 40 million square feet were delivered in India in 2021. It is expected that the country will have a 40% market share in the next 2-3 years. India is expected to deliver 46 million square feet in 2022. According to Savills India, real estate demand for data centres is expected to increase by 15-18 million sq. ft. by 2025.

In 2020, the manufacturing sector accounted for 24% of office space leasing at 5.7 million square feet. SMEs and electronic component manufacturers leased the most between Pune, Chennai and Delhi NCR, followed by auto sector leasing in Chennai, Ahmedabad and Pune. The 3PL, e-commerce and retail segments accounted for 34%, 26% and 9% of office space leases, respectively. Of the total PE investments in real estate in Q4 FY21, the office segment attracted 71% share, followed by retail at 15% and residential and warehousing with 7% each. In the first quarter of 2022, the gross leasing volume of India's top seven office markets was at 11.55 million sq. ft. Between July 2021-September 2021, a total of 55,907 new housing units were sold in the eight micro markets in India (59% YoY growth). In the third quarter of 2021 (between July 2021-September 2021), new housing supply stood at ~65,211 units, increased by 228% YoY across the top eight cities compared with ~19,865 units launched in the third quarter of 2020.

In 2021-22, the commercial space is expected to record increasing investments. For instance, in October 2021, Chintels Group announced to invest Rs. 400 crore (US\$ 53.47 million) to build a new commercial project in Gurugram, covering a 9.28 lakh square feet area. According to the Economic Times Housing Finance Summit, about 3 houses are built per 1,000 people per year compared with the required construction rate of five houses per 1,000 population. The current shortage of housing in urban areas is estimated to be ~10 million units. An additional 25 million units of affordable housing are required by 2030 to meet the growth in the country's urban population.

Investments/Developments

Indian real estate sector has witnessed high growth in the recent times with rise in demand for office as well as residential spaces. According to Colliers India, a property consultant, institutional investments in the Indian real estate sector are expected to increase by 4% to reach Rs. 36,500 crore (US\$ 5 billion) in 2021, driven by rising interest of investors towards capturing attractive valuations amid the pandemic. According to a recent report by Colliers India, private equity investments in Indian real estate reached US\$ 2.9 billion in the first half of 2021, which was a >2x increase from the first half in 2020. Exports from SEZs reached Rs. 7.96 lakh crore (US\$ 113.0 billion) in FY20 and grew ~13.6% from Rs. 7.1 lakh crore (US\$ 100.3 billion) in FY19.

In July 2021, the Securities and Exchange Board of India lowered the minimum application value for Real Estate Investment Trusts from Rs. 50,000 (US\$ 685.28) to Rs. 10,000-15,000 (US\$ 137.06 - US\$ 205.59) to make the market more accessible to small and retail investors. Construction is the third-largest sector in terms of FDI inflow. FDI in the sector (including construction development & activities) stood at US\$ 54.17 billion from April 2000 to March 2022. Some of the major investments and developments in this sector are as follows:

- Between January 2021-September 2021, private equity investment inflows into the real estate sector in India stood at US\$ 3.3 billion.
- Home sales volume across seven major cities in India surged 113% YoY to reach ~62,800 units in the third quarter 2021, from 29,520 units in the same period last year, signifying healthy recovery post the strict lockdown imposed in the second quarter due to the spread of COVID-19 in the country.
- In the third quarter of 2021, the Institutional real estate investment in India increased by 7% YoY. Investment registered in the first nine months of 2021 stood at US\$ 2,977 million, as against US\$ 1,534 million in the same period last year.
- In November 2021, Ascendas India bought Aurum Ventures' 16-storey commercial tower in Navi Mumbai for Rs. 353 crore (US\$ 47 million), making it the largest deal of a standalone commercial tower by a global institutional investor during the past few years.
- REA India-owned online real estate company Housing.com tied up with online legal assistance start-ups LegalKart, Lawrato, Vidhikarya and Vakil in 2021 to offer legal advice and assistance to homebuyers.
- Top three cities—Mumbai (~39%), NCR-Delhi (~19%) and Bengaluru (~19%)—attracted ~77% of the total investments recorded in the third quarter of 2021.
- India's flexible space stock is likely to expand by 10-15% YoY, from the current 36 million sq. ft., in the next three years, according to a report by CBRE.
- To establish an investment platform for the Indian retail-led mixed-use assets, in June 2021, GIC announced to acquire a minority stake in Phoenix Mills' portfolio (worth US\$ 733 million).
- In May 2021, Blackstone Real Estate acquired Embassy Industrial Parks for Rs. 5,250 crore (US\$ 716.49 million) to expand its presence in the country.
- To expand into the Indian real estate market, SRAM & MRAM Group collaborated with Area CAS Developers and Infrastructure Private Limited (Area Group), and Gupta Builders and Promoters Private Limited (GBP Group) of India. It plans to invest US\$ 100 million in the real estate sector.
- According to Anarock, housing sales in seven cities increased by 29% and new launches by 51% in Q4 FY21 over Q4 FY20.
- Private market investor, Blackstone, which has significantly invested in the Indian real estate sector (worth Rs. 3.8 lakh crore (US\$ 50 billion)) is seeking to invest an additional Rs. 1.7 lakh crore (US\$ 22 billion) by 2030.
- In 2021, working remotely is being adopted at a fast pace and demand for affordable houses with ticket size below Rs. 40-50 lakh is expected to rise in Tier 2 and 3 cities, leading to an increase in prices in those geographies.
- In April 2021, HDFC Capital Advisors (HDFC Capital) partnered with Cerberus Capital Management (Cerberus) to create a platform that will focus on high-yield opportunities in the residential real estate sector in India. The platform seeks to purchase inventory and provide last-mile funding for under construction residential projects across the country.
- In March 2021, Godrej Properties announced it would launch 10 new real estate projects in Q4.
- In March 2021, Godrej Properties increased its equity stake in Godrej Realty from 51% to 100% by acquiring equity shares from HDFC Venture Trustee Company.
- In January 2021, SOBHA Limited's wholly owned subsidiary, Sabha Highrise Ventures Pvt. Ltd. acquired 100% share in Annalakshmi Land Developers Pvt. Ltd.

Government Initiatives

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

- In October 2021, the RBI announced to keep benchmark interest rate unchanged at 4%, giving a major boost to the real estate sector in the country. The low home loan interest rates regime is expected to drive the housing demand and increase sales by 35-40% in the festive season in 2021.
- Under Union Budget 2021-22, tax deduction up to Rs. 1.5 lakh (US\$ 2069.89) on interest on housing loan, and tax holiday for affordable housing projects have been extended until the end of fiscal 2021-22.
- The Atmanirbhar Bharat 3.0 package announced by Finance Minister Mrs. Nirmala Sitharaman in November 2020 included income tax relief measures for real estate developers and homebuyers for primary purchase/sale of residential units of value (up to Rs. 2 crore (US\$ 271,450.60) from November 12, 2020 to June 30, 2021).
- In order to revive around 1,600 stalled housing projects across top cities in the country, the Union Cabinet has approved the setting up of Rs. 25,000 crore (US\$ 3.58 billion) alternative investment fund (AIF).
- Government has created an Affordable Housing Fund (AHF) in the National Housing Bank (NHB) with an initial corpus of Rs. 10,000 crore (US\$ 1.43 billion) using priority sector lending short fall of banks/financial institutions for micro financing of the HFCs.
- As of January 31, 2021, India formally approved 425 SEZs, of which 265 were already operational. Most special economic zones (SEZs) are in the IT/ BPM sector.

Outlook

The Securities and Exchange Board of India (SEBI) has given its approval for the Real Estate Investment Trust (REIT) platform, which will allow all kind of investors to invest in the Indian real estate market. It would create an opportunity worth Rs. 1.25 trillion (US\$ 19.65 billion) in the Indian market in the coming years. Responding to an increasingly well-informed consumer base and bearing in mind the aspect of globalisation, Indian real estate developers have shifted gears and accepted fresh challenges. The most marked change has been the shift from family-owned businesses to that of professionally managed ones. Real estate developers, in meeting the growing need for managing multiple projects across cities, are also investing in centralised processes to source material and organise manpower and hiring qualified professionals in areas like project management, architecture and engineering.

The residential sector is expected to grow significantly, with the central government aiming to build 20 million affordable houses in urban areas across the country by 2022, under the ambitious Pradhan Mantri Awas Yojana (PMAY) scheme of the Union Ministry of Housing and Urban Affairs. Expected growth in the number of housing units in urban areas will increase the demand for commercial and retail office space. The current shortage of housing in urban areas is estimated to be ~10 million units. An additional 25 million units of affordable housing are required by 2030 to meet the growth in the country's urban population.

The growing flow of FDI in Indian real estate is encouraging increased transparency. Developers, in order to attract funding, have revamped their accounting and management systems to meet due diligence standards. Indian real estate is expected to attract a substantial amount of FDI in the next two years with US\$ 8 billion capital infusion by FY22.

BUSINESS

Overview of KBC

KBC Global Limited (previously known as Karda Constructions) is engaged in construction business i.e., Construction Development: Townships, Housing. KBC has complied with all the compliances for Development of Township under Standalone FDI Policy dated October 15, 2020 issued by the Department for Promotion of Industry and Internal Trade.

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We are headquartered in Nashik, India.

Our shares are publicly listed on the Bombay Stock Exchange and National Stock Exchange. As of September 30, 2022 we had a market capitalization of approximately INR 10,824 million.

Our Key Strengths

i. Established brand and reputation:

With over two and a half decades experience in Nashik, KBC Global Limited was founded and promoted by Mr. Naresh Karda — Chairman & Managing Director in 2007. KBC Global has a competitive advantage as a leading player in affordable and mid-income housing segment in its home turf. The joint development route will allow the company to conceptualize and launch projects more quickly and allocate greater bandwidth to project execution. KBC Global has established its brand name as “Hari” for all its projects and has a strong recall factor in the Greater Nashik market. In its 26 years of operating history, the Karda Group has successfully delivered over 1.4 Mn sq. ft of developed area. KBC Global was awarded for the “Iconic Budget Home” by Times Realty in 2019 and also awarded for “The Most Preferred Real Estate Company”, of Nashik at the event “My Maharashtra Awards-2019”. Ongoing & upcoming projects comprise of 2.45 Min Sq. ft. over 19 + projects in the real estate segment over the next few years.

ii. Strong base of client in commercial and residential sector:

Over the years, KBC Global Limited has demonstrated its ability to execute large scale projects in various sectors – both in commercial as well as Residential; and has thereby developed long standing relationships with strong and reputed clientele in Nashik city.

iii. Projections entail financial stability:

Net profit reported by the company was Rs 1.03 crore in the quarter ended June 2022 as against Rs 2.26 crore during the previous quarter ended March 2022.

iv. Among Top 1000 Companies based on Market Capitalisation:

In terms of Market capitalisation, the company is currently positioned among top 1000 companies as per the National Stock Exchange of India.

v. Strong workforce:

Highly qualified execution team: the company employs experienced, capable, and highly qualified design and project management teams who oversee and execute all aspects of project development.

History of KBC

The Company was incorporated in year 2007 with a view to corporatize the group's activities in the real estate sector. Karda Constructions Limited was incorporated as a private limited Company with the name 'Karda Constructions Private Limited' on September 17, 2007. Subsequently the Company was converted to a public limited Company on March 17, 2016, and the name of the Company was changed to 'Karda Constructions Limited'.

- In 2008 the Company started operations for Project 'Hari Sankul I' in August 2008.
- In 2010 the Company Started operations for Project 'Hari Vishwa' and 'Hari Sankalp' in January 2010 and 'Hari Sneh' in October 2010.
- 2011 the Company Started operations for Project 'Hari Niwas' in January 2011 'Hari Om' in March 2011 'Hari Angan Plase II' in April 2011 'Hari Vandan Plase II' in May 2011 'Hari Niketan' in July 2011 and 'Hari Kunj' in August 2011 and 'Hari Sankul II' in October 2011. The Company completed the project 'Hari Sankul I' in August 2011.
- In 2012 the Company started operations for Project 'Hari Sparsh' in June 2012 and completed the Projects 'Hari Sankul II' 'Hari Sneh I' in November 2012 and 'Hari Vandan II' in December 2012.
- In 2013 the Company Started operations for Projects 'Hari Amrut' in May 2013 & 'Hari Sneh II' in August 2013 and completed the Projects 'Hari Kunj' in January 2013 & 'Hari Sankalp' in Apri 2013.
- In 2014 the Company Started operations for Project 'Hari Mantra' in October 2014 and completed the Project 'Hari Om I' in February 2014.
- In 2015 the Company completed the projects 'Hari Sparsh' in June 2015 'Hari Naman' in August 2015 and 'Hari Mantra' 'Hari Sneh II' & 'Hari Amrut' in December 2015.
- In 2016 the Company Started operation for the Project 'Hari Om II' in May 2016 'Hari Sparsh II' in July 2016 'Hari Vatika' in August 2016 'Hari Bhakti' in September 2016 'Hari Ved' and 'Hari Vasant' in October 2016 and completed Project 'Hari Shrushti' in June 2016.
- In 2017 the Company Started operations for Projects 'Hari Samarth' and 'Hari Sanskruti II' in February 2017 'Hari Sparsh' in May 2017 'Hari Sanskruti' and 'Hari Anand' in June 2017.
- The Company launched an initial public offer (IPO) during the period from 16 March 2018 to 21March 2018. The IPO was a combination of fresh issue 23 lakh shares and an Offer for Sale of upto 20 lakh shares. The IPO was priced at Rs 180 per share. The stock was listed on the bourses on 2 April 2018.On 30 April 2018 the Company announced the launch of a new project Hari Aakruti Phase II at Nashik.

Our Operations

Description of Our Business

Business Overview

The Company is operating majorly in the following two segments Construction and development of residential and commercial projects and Contractual projects

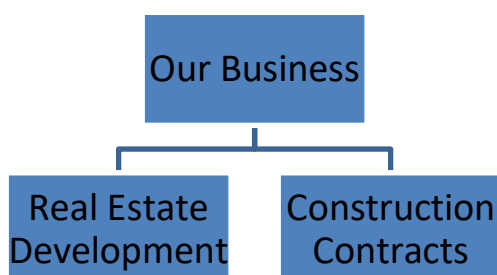
Change in the nature of business

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

Operational Overview

During the year under review, the Company handed over total 159 units with area of 1.30 Lakh square feet of its ongoing residential and residential cum commercial projects.

Company has total 11 work orders in hand. During the reporting period company has generated revenue of ₹ 33.81 Crore from contractual work orders.

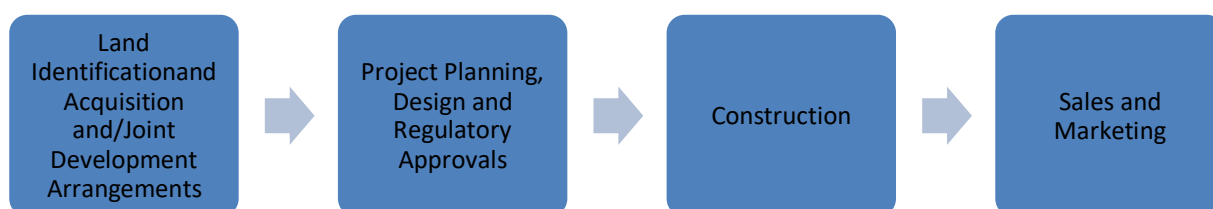


KEY BUSINESS

PROCESSES

(A) Real Estate Development:

The Company's Business process depends upon nature of the project i.e. whether project is taken on contract basis or is owned by them. In case the project is obtained on contract basis, the main phase of process involved is construction, and in owned projects, the following process is adopted:-



A. Land Identification and Acquisition and/Joint Development Arrangements:

The profitability of their business is dependent on their land acquisition costs and their growth is dependent on the

availability of land for their future development. They acquired a substantial portion of the land for their currently Completed, Ongoing and Planned projects when land prices were generally lower than prevailing market prices. Land costs have generally increased in the past years (although the recent economic downturn had an impact on the real estate sector generally) and they expect that this trend will continue, subject to general economic conditions and other factors.

They acquire land and land development rights from the government and private parties. From time to time, they seek to acquire land or land development rights through a competitive bidding process. The cost of acquisition of land, which includes the amounts paid for freehold rights, leasehold rights, cost of registration and stamp duty, represents a substantial part of their project cost. They are typically required to enter into a deed of conveyance, a lease deed or a deed for development rights transferring title or leasehold rights or development rights in their favour. The registration charges and stamp duty are also typically payable by them. Additional costs include those incurred in complying with regulatory formalities, such as fees paid for change of land use.

Typically for acquisition of land or land development rights, they are required to pay an advance at the time of executing transaction agreements, with the remaining purchase price due upon completion of the acquisition. They may acquire lands through auction and prior to bidding in the auction, they may be required to pay a refundable deposit or earnest money. In certain cases, they may be required to furnish a bank guarantee for which they would be required to pay the applicable bank charges.

They also acquire the right to develop properties through arrangements with other entities, which own the land or land development rights. The other party is typically given the option, as consideration, to either share the sale proceeds in a pre-determined proportion depending upon the nature of the project and the location of the land or to receive a pre-determined portion of the developed area which such party may market at its expense. They may also look at acquiring land holding companies as a means of acquiring land and/or land development rights.

Once a potential development site has been identified, site visits and feasibility studies/surveys are undertaken, which include detailed analysis of the following factors, among others:

- location, including frontage, surrounding developments, landmarks, and views;
- size of the development site;
- potential end use of the site;
- land acquisition cost;
- regional demographics;
- gap analysis of current property development initiatives and market needs;
- financial viability of the proposed project;
- feasibility of construction and adequacy of support infrastructure;
- availability of utility services;
- title searches and related legal due diligence;
- market trends; and
- regulatory issues.

After conducting such analysis, their senior management makes the final decision with regard to the financial feasibility of the acquisition and the scope of the projects to be developed on the proposed site.

After a decision is made to proceed with the acquisition of land or land development rights, they take necessary steps to acquire the land or development rights. They enter into negotiations with the seller of land or land development rights in order to reach a preliminary acquisition agreement, usually memorialised in a memorandum of understanding. Once they have completed our preliminary due diligence on the land, they enter into final agreements to acquire the land.

B. Project Planning, Design and Regulatory Approvals:

They coordinate with the design firms and architects for their projects. In particular, they hire third parties, to design projects which are complex and require specific technical expertise and to design specific high-end projects. Their emphasis is on use of advanced technologies like computer aided design software to ensure optimisation of costs and space. They also have in-house design and project management teams that are responsible for designing, budgeting, planning, contracting, and tracking the execution of projects. Their specialised in-house design and project management teams are experienced in adapting international design concepts to suit the requirements of the Nashik real estate market. In addition, they also engage other external consultants for the planning of our projects. The designing and architect firms and structural consultants are engaged by them separately for each project and are particular to the project. The work performed by these third parties must comply with specifications provided by us and, in all cases, is subject to our review.

Generally, depending upon the size and complexity of a project, it takes approximately six months to a year to complete the planning and design phase and to obtain all necessary approvals and permits required to commence work.

Concept design and master planning

Following acquisition of a development site or development rights, they determine the type and scale of project to be undertaken, based upon, among other things, research reports, which profile prospective clients. This process results

in the preparation of a project brief, which is submitted to an external architect, who is responsible for the conceptual design of the project. The conceptual design includes master planning, phasing of development and the type and orientation of buildings. Once a concept design is prepared, it is sent to their experienced in-house design management team, which evaluates the design and coordinates with the architect to finalise the concept. The final decision on the conceptualisation of each project and the development of each property is made by their senior management.

Design development

The output of the concept design phase is a master plan with a broad description of the planned development in presentation format. The design development phase involves further detailing of the design concept. Detailed specifications and drawings of each activity are prepared by their in-house design management team, which ensures certifications, No Objection Certificates (NOCs) and approvals are obtained for the commencement of the project from various regulatory and governmental authorities. In accordance with our outsourcing strategy, we intend to use external design firms to perform this role for our projects.

Regulatory approvals

They retain responsibility for obtaining all necessary approvals and permits for each of our projects and have a liaison team, comprising architects, engineers and legal professionals, whose function is to obtain approvals from various government authorities. They also use external professionals, as necessary, to obtain such approvals and permits. Approvals and permits are required throughout the development process.

C. Construction:

For execution of the project, whether owned by them or taken on contract, they rely on external contractors for the construction of projects. Their Company looks at the experience of the proposed subcontractor in similar works done by them and the also the financial soundness of the party. Other factors which are considered by us while selecting sub-contractors are:-

- ✓ The employee strength of the proposed subcontractor i.e. number of technical persons who are experienced in the similar type of work.
- ✓ The equipment & machinery which is used for execution of the said work.
- ✓ Technical know-how, particularly in using the state of the art equipment and machinery for optimization of all resources invested towards the execution of the work.

D. Sales and Marketing:

Marketing

They market their projects through our internal marketing team, and through external brokers and consultants. They maintain a database consisting of our existing customers, referrals and leads they have generated through various advertising and awareness campaigns. Their direct sales efforts are a combination of telephonic marketing, tours of our model homes and digital marketing, all of which is handled by their internal marketing team. They employ various marketing approaches depending on whether the project is residential or office space. These include launch events, corporate presentations, internet marketing, direct and indirect marketing, as well as print advertising, site branding and outdoor advertising.

Sales

For their residential and residential-cum-office space projects, they typically follow a pre-sale model, whereby they offer units for sale prior to completion. Sales generally are conducted by their sales staff on the project site, as well as through third party brokers. Upon booking of a residential unit, they typically receive a certain percentage of the purchase price as down payment at the time of booking a particular unit and the remainder through periodic payments linked to certain other construction milestones while the project is being developed. They price their residential units based on their analysis of demand in a particular region, taking into consideration market demographics, location, future supply, and competition. Under applicable laws, they are liable to pay interest on payments already made to us by our customers in respect of any delay in the completion and hand over of the project to our customers and, where the customer exercises a right to cancel the sale, they are liable to refund amounts paid to date with interest. The interest payable is calculated at a fixed rate on a monthly basis for the period of the delay. They transfer title to the customer upon completion of construction of the building or structure and after execution of the definitive agreement with the customer.

They transfer the title of the land on which the building is located to an independent housing society after all the buildings or structures within a project are turned over to owners or housing societies. The day-to-day management and control of the completed building is then relinquished to the management board or society of the owners.

(B) Construction Contracts

sector. As on the date of this Offering Memorandum our Company has successfully secured 4 Government contracts, 3 of which are of Goa Government and 1 of Maharashtra Government having an aggregate contract price of L 2,470.50 lakhs. The details of the government contracts are as under:

Sr. No.	Concerned Authority	State/ Union Territory	Contract Type
1	Goa State Urban Development Agency	Goa	Construction of Market complex cum community centre in Survey no. 118, Zuarinagar at Sancoale Village for Goa Rehabilitation Board
2	Goa Housing Board	Goa	Construction of 28 single bedroom flats at sector I at Curti, Ponda – Goa
3	Goa Housing Board	Goa	Construction of 16 Duplex Bungalows in sector S at Farmagudi, Ponda – Goa.
4	National Health Mission	Maharashtra	Construction of Model Maternal and Child Health Wing under the National Health Mission in Nashik.

Further we have also won a private sector work contract having contract price of ₹ 3,509.10 lakhs, as entailed below:

Sr. No.	Client	State/ Union Territory	Contract Type
1	Empire Industries Ltd.	Maharashtra	PHE works for Residential and Industrial Buildings, internal and peripheral works at Plot No. 22, Ambernath Industrial Area, MIDC, Ambernath (West), Thane.
2	Shree Sainath land & Development (India Pvt. Ltd.	Maharashtra	Turnkey works for Residential Buildings at S. Nos. 114A/1/1; 114A/3 and 114C situated at Deolali village

FOREIGN INVESTMENT AND EXCHANGE CONTROLS

GENERAL

Foreign investment in Indian securities is regulated through the Foreign Exchange Management Act, 1999, as amended, and the rules, regulations and directions issued thereunder (“FEMA”) and the various rules and regulations issued thereunder from time to time, including the precise manner in which such investment may be made. The Government has from time to time made policy pronouncements on foreign direct investment (“FDI”) through press notes and press releases. The Department for Promotion of Industry and Internal Trade (“DPIIT”), issued the Consolidated FDI Policy through a notification dated 28 October 2020 bearing DPIIT File Number 5(2)/2020-FDI (“FDI Policy”), which, with effect from 15 October 2020, consolidated and superseded all previous press notes, press releases and clarifications on FDI that were in force and effect as on 14 October 2020. The FDI Policy is amended and updated from time to time and will be valid until the DPIIT issues an updated circular. The foreign investment in our Company is governed by, inter alia, the FEMA, the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 (“FEMA Non-Debt Rules”), the FDI Policy. The FEMA Non-Debt Rules were enacted on 17 October 2019 in supersession of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, except as respects things done or omitted to be done before such supersession. Further, the RBI enacted the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 on 17 October 2019, which was amended by the RBI through notification dated 15 June 2020, inter alia, regulates the mode of payment and remittance of sale proceeds.

FOREIGN INVESTMENT

Foreign investment refers to any investment made by a person resident outside India on a repatriable basis in equity instruments of an Indian company or to the capital of a limited liability partnership. An Indian company may issue equity instruments to a person resident outside India subject to entry routes, sectoral caps and attendant conditionalities prescribed in the FEMA Non-Debt Rules. FCCBs and depository receipts having underlying of instruments being in the nature of debt shall not be included in the sectoral cap. However, any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned under the sectoral cap. Foreign investment in India can be either through the automatic route where no prior approval of any regulatory authority is required or through the Government approval route. FEMA Non-Debt Rules prescribe sectoral caps for the sectors or activities as a limit indicated against each sector. The total foreign investment shall not exceed the sectoral or statutory cap. In sectors or activities not listed under the FEMA Non-Debt Rules or not prohibited under the Schedule thereto, foreign investment is permitted up to 100 per cent. under automatic route, subject to applicable laws or regulations, security and other conditionalities. These conditions, inter alia, include certain minimum pricing requirements, compliance with the SEBI Takeover Regulations and ownership restrictions based on the nature of the non-resident investor. Under the FEMA Non-Debt Rules, foreign investment up to 100 per cent. is permitted in “Other Financial Services”, which refers to financial services activities regulated by financial sector regulators, including the NHB, as notified by the Government of India, subject to conditions including minimum capitalisation norms, specified by the concerned regulator (in our case, the NHB and the RBI), if any. The FDI Policy and the FEMA Non-Debt Rules prescribe the method of calculation of total foreign investment (i.e., direct foreign investment and indirect foreign investment) in an Indian company. In relation to indirect foreign investment, FEMA Non-Debt Rules prescribe that indirect foreign investment refers to downstream investment received by an Indian entity from: (A) another Indian entity which has received foreign investment and (i) the Indian entity is not owned and not controlled by resident Indian citizens, or (ii) is owned or controlled by persons resident outside India; or (B) an investment vehicle whose sponsor or manager or investment manager (i) is not owned and not controlled by resident Indian citizens or (ii) is owned or controlled by persons resident outside India.

Equity instruments are required to be issued to the person resident outside India making such investment within 60 days from the date of receipt of the consideration. Where such equity instruments are not issued within 60 days from the date of receipt of the consideration the same shall be refunded to the person concerned by outward remittance through banking channels or by credit to his NRE/FCNR (B) accounts, as the case may be within 15 days from the date of completion of 60 days. An Indian company issuing equity instruments to a person resident outside India and where such issue is reckoned as foreign direct investment, is required to report such issue in Form FC-GPR, not later than 30 days from the date of issue of equity instruments. The RBI has introduced an online application, Foreign Investment Reporting and Management System (“FIRMS”) to subsume all the existing reports. FIRMS provides for the Single Master Form (“SMF”). With the implementation of SMF, the reporting of FDI, which was a two-step procedure viz., ARF and FC-GPR is merged into a single revised FC-GPR. With effect from 1 September 2018, certain forms including FC-GPR and FC-TRS were being made available for filing in SMF.

INVESTMENT BY FOREIGN PORTFOLIO INVESTORS

In terms of the SEBI FPI Regulations, the issue of equity shares to a single FPI or an investor group (which means the

multiple entities having common ownership, directly or indirectly, of more than 50 per cent. or common control) must be below 10 per cent. of our post-issue equity share capital. Further, in terms of the FEMA Non-Debt Rules, the total holding by each FPI, including its investor group, shall be below 10 per cent. of the total paid-up equity share capital of a company and the total holdings of all FPIs put together, including any other direct and shall indirect foreign investments in a company, not exceed 24 per cent. of the paid-up equity share capital of a company on a fully diluted basis. In case the total holding of an FPI, including its investor group, increases (i) beyond 10 per cent. of the total paid-up equity capital of a company, on a fully diluted basis; or (ii) 10 per cent. or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by the company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by the SEBI and the RBI in this regard and the company and the investor will be required to comply with applicable reporting requirements. The aggregate limit of 24 per cent. may be increased up to the sectoral cap by way of a resolution passed by the board of directors followed by a special resolution passed by the shareholders of the company. In terms of the FEMA Non-Debt Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. The existing individual investment limit for an FPI in our Company is not exceeding 10 per cent. of the total paid-up equity share capital of our Company. Our Company has by way of a special resolution dated 17 January 2013 increased the limits for aggregate investment limits of FPIs to 100 per cent. of the paid-up equity share capital of our Company.

INVESTMENT BY NON-RESIDENT INDIANS

An NRI may purchase or sell equity instruments of a listed Indian company on repatriation basis, on a recognized stock exchange in India. The total holding by any individual NRI or Overseas Citizen of India is restricted to (i) 5 per cent. of the total paid-up equity capital on a fully diluted basis; or (ii) 5 per cent. of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and Overseas Citizens of India put together is restricted to 10 per cent. of the total paid-up equity capital on a fully diluted basis or 10 per cent. of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10 per cent. may be raised to 24 per cent. if a special resolution to that effect is passed by the general body of the Indian company. Investments made by NRIs on non-repatriation basis in accordance with the FEMA Non-Debt Rules will be treated as domestic investments at par with the investments made by residents.

TRANSFER OF EQUITY INSTRUMENTS OF AN INDIAN COMPANY BY A PERSON RESIDENT OUTSIDE INDIA

A person resident outside India holding equity instruments of an Indian company or units in accordance with the FEMA Non-Debt Rules may transfer such equity instrument or units in compliance with the applicable conditions prescribed under the FEMA Non-Debt Rules. A person resident outside India (not being a non-resident Indian or an overseas citizen of India or an erstwhile overseas corporate body) may transfer by way of sale or gift the equity instruments of an Indian company or units held by him to any person resident outside India. The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI policy and transfer is in adherence with pricing guidelines and documentation as specified by RBI, if such transfer attract the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 2011; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI. Form FCTRS is required to be filed for transfer of equity instruments in accordance with the FEMA Non-Debt Rules, between: (a) a person resident outside India holding equity instruments in an Indian company on a repatriable basis and person resident outside India holding equity instruments on a non-repatriable basis; and (b) a person resident outside India holding equity instruments in an Indian company on a repatriable basis and a person resident in India. The onus of reporting is on the resident transferor/transferee or the person resident outside India holding equity instruments on a non-repatriable basis, as the case may be. Transfer of equity instruments on a recognised stock exchange by a person resident outside India are required to be reported by such person in Form FC-TRS. The form FCTRS is required to be filed within 60 days of transfer of equity instruments or receipt/remittance of funds whichever is earlier.

LAWS IN RELATION TO ECB AND ISSUE OF FCCBS

The current laws relating to ECB as applicable to the issuance of the Bonds are embodied in the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018, Master Direction – External Commercial Borrowings, Trade Credits and Structured Obligations dated 26 March 2019, as amended (“ECB Master Directions”). Under the ECB Guidelines, ECBs can be accessed under two routes: (i) the automatic route; and (ii) the approval route. The automatic route does not require a borrower to obtain any RBI approvals, whereas the approval route requires a prior RBI approval. The ECB Guidelines classify ECB under the following categories: (iii) foreign currency denominated ECB (“FCY ECB”); (iv) Indian Rupee denominated ECB (“INR ECB”). The ECB Guidelines rationalise the erstwhile external commercial borrowings framework by merging the erstwhile Track I (medium-term foreign currency denominated ECB) and Track II (long-term foreign currency denominated ECB) into one track as ‘FCY ECB’. The Ministry of Finance, Government of India, through the Issue of Foreign Currency Convertible Bonds And Ordinary Shares (Through Depository Receipt

Mechanism) Scheme, 1993 and ECB Master Directions, regulate the issuance of FCCBs by Indian companies. The notification relating to FCCBs has been amended from time to time by the Ministry of Finance, and certain relaxations in the guidelines have also been notified by the RBI. An Indian company which is not eligible to raise funds from the Indian capital market including a company which has been restrained from accessing the securities market by the SEBI will not be eligible to issue FCCBs. Further, FCCBs should be without any warrants attached. An eligible Indian company may issue FCCBs to persons resident outside India either, through the automatic route, or with approval of the RBI, in accordance with the ECB Master Directions.

AUTOMATIC ROUTE

For the automatic route, the cases are examined by the Authorised Dealer Category-I banks (“AD Category I Bank”). Under the ECB Guidelines, all entities which are eligible to receive foreign direct investment are eligible to raise ECB. The minimum average maturity period for ECBs is at least three years, and longer maturity periods apply in certain cases, depending on the end-use proposed for such ECB. The ECB Master Directions require that lenders, with respect to ECB, should be residents of FATF or IOSCO compliant countries. Further, the ECB Master Directions (i) considers the multilateral and regional financial institutions where India is a member country as recognised lenders; (ii) permits individuals as ECB lenders, provided they are foreign equity holders or for subscription to bonds/debentures listed abroad, and (iii) permits the foreign branches and subsidiaries of Indian banks as recognised lenders only for FCY ECB. In relation to the utilisation of the ECB proceeds, the negative list for both FCY ECB and INR ECB includes: (i) real estate activities, (ii) investment in capital market, and (iii) equity investment. Further, proceeds from an ECB cannot be utilized for (i) working capital purposes, (ii) general corporate purposes and (iii) repayment of rupee loans except in certain cases as prescribed under the ECB Master Directions. Additionally, on-lending for any of the aforementioned activities is prohibited under the ECB Master Directions except in case of ECB raised by non-banking finance companies as prescribed therein. Further, the maximum amount which can be raised every fiscal year by an eligible borrower under the automatic route is U.S.\$750 million or its equivalent. The all-in cost (which includes rate of interest, other fees, guarantee fees and expenses in foreign currency or Indian Rupees but does not include commitment fees, payments for withholding tax in Rupees) for both FCY ECB and INR ECB is benchmark rate plus 450 basis points spread. The benchmark rate in case of FCY ECB refers to 6-month LIBOR of different currencies or any other 6-month interbank interest rate applicable to the currency of borrowing, while the benchmark rate in case of Rupee denominated ECB (INR ECB) will be the prevailing yield of the Government of India securities of corresponding maturity. As per the ECB Guidelines, various components of all-in-cost have to be paid by the borrower without taking recourse to the drawdown of ECB, i.e., ECB proceeds cannot be used for payment of interest or charges. Additionally, for FCCBs, the issue related expenses should not exceed 4 per cent. of the issue size and in case of private placement, these expenses should not exceed 2 per cent. of the issue size, etc.

APPROVAL ROUTE

All ECB falling outside the automatic route limits are considered by the RBI under the approval route, wherein prospective borrowers are to send their requests to RBI through the Authorised Dealer banks (“AD Bank”). **PRICING GUIDELINES FOR FCCBS** The pricing of FCCBs should not be less than the average of the weekly high and low of the closing prices of the related shares quoted on the Indian stock exchanges during the two weeks preceding the relevant date. The “relevant date” is the date of the meeting in which the board of directors of the company or committee of the directors duly authorised by the board decides to open the proposed Issue.

FILING AND REGULATORY REQUIREMENTS IN RELATION TO ISSUANCE OF BONDS

An ECB borrower is required to obtain a LRN from the RBI before an issuance of Bonds is effected. To obtain this, ECB borrowers are required to submit a completed Form ECB which also contains terms and conditions of the ECB to the AD Category I Bank of the ECB borrower. The AD Category I Bank is then required to forward the completed Form ECB to the RBI. An ECB borrower is required to submit an ECB-2 Return on a monthly basis through its AD Category I Bank to the RBI.

PROCEDURE IN RELATION TO ANY CHANGE TO THE TERMS AND CONDITIONS OF THE ECB

Subject to certain conditions, the AD Category I Bank can approve any requests from the borrowers for changes in respect of ECB, except for FCCBs or foreign currency exchangeable bonds. Any redemption of the Bonds prior to satisfaction of the minimum average maturity period prescribed under the ECB Guidelines will require the prior approval of the RBI.

REGULATORY REQUIREMENTS IN RELATION TO ISSUANCE OF FOREIGN CURRENCY DENOMINATED ECB

Pursuant to the ECB Guidelines, any entity which can accept foreign direct investment, can issue, among others, FCCBs,

foreign currency denominated floating/fixed rate notes/bonds/debentures (other than fully and compulsorily convertible instruments) with a three-year minimum average maturity period ("MAMP").

The Bonds can be subscribed or purchased by any recognised lender as detailed above. Foreign branches/subsidiaries of Indian banks are permitted as recognised lenders only for FCY ECB (except FCCBs and foreign currency exchangeable bonds). Foreign branches/subsidiaries of Indian banks, subject to applicable prudential norms, can participate as arrangers/underwriters/market-makers/traders for Rupee denominated bonds issued overseas. However, underwriting by foreign branches/subsidiaries of Indian banks for issuances by Indian banks is not allowed.

The entities raising ECB are required to follow the guidelines for hedging issued, if any, by the concerned sectoral or prudential regulator in respect of foreign currency exposure. The ECB borrower will be required to cover principal as well as coupon through financial hedges. The financial hedge for all exposure on account of ECB should start from the time of each such exposure (i.e., the day liability is created in the books of the borrower). A minimum tenor of one year of financial hedge would be required with periodic rollover duly ensuring that the exposure on account of ECB is not unhedged at any point during the currency of ECB. Natural hedge, in lieu of financial hedge, will be considered only to the extent of offsetting projected cash flows/revenues in matching currency, net of all other projected outflows. For this purpose, an ECB may be considered naturally hedged if the offsetting exposure has the maturity/cash flow within the same accounting year. Any other arrangements/structures, where revenues are indexed to foreign currency will not be considered as a natural hedge.

Change of currency of ECB from one freely convertible foreign currency to any other freely convertible foreign currency as well as to INR is freely permitted.

INDIAN GOVERNMENT AND OTHER APPROVALS

The offering is being made entirely outside India. This Offering Memorandum or any other document or material relating to the Bonds has not been and will not be circulated or distributed in India, directly or indirectly, to the public or members of the public in India. The Bonds have not been, and will not be, offered or sold directly or indirectly in India or to, or for the account or benefit of, any person resident in India. If you purchase any of the Bonds, you will be deemed to have acknowledged, represented and agreed that you are eligible to invest in the Bonds and the Shares to be issued upon conversion of the Bonds under applicable laws and regulations and that you are not prohibited under any applicable law or regulation from acquiring, owning or selling the Bonds and the Shares to be issued upon conversion of the Bonds. Each purchaser of Bonds will be deemed to represent that it is neither located in India nor a resident of India and that it is not purchasing for, or for the account or benefit of, any such person, and understands that the Bonds will bear a legend to the effect that the securities evidenced thereby may not be offered, sold, pledged or otherwise transferred to any person located in India, to any resident of India or to, or for the Bonds account of, such persons, unless we may determine otherwise in compliance with applicable law. This Offering Memorandum has not been and will not be filed, registered, produced, published or made available as an offer document (whether a prospectus in respect of a public offer or information memorandum or private placement offer cum application letter or other offering material in respect of any private placement, under the Indian Companies Act, 2013, as amended or any other applicable Indian laws) with the Registrar of Companies in India, the Securities and Exchange Board of India, the Indian stock exchanges or any other statutory or regulatory body of like nature in India save and except for any information from any part of this Offering Memorandum which is (i) mandatorily required to be disclosed or filed in India under any applicable Indian laws, including but not limited to, the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015, as amended, and under the listing agreement with any Indian stock exchange pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended or (ii) pursuant to the sanction of any regulatory and adjudicatory body in India. This Offering Memorandum or any material relating to the Bonds has not been and will not be circulated or distributed to any prospective investor who is not a resident of an FATF or IOSCO compliant jurisdiction, and the Bonds will not be offered or sold or transferred and have not been offered or sold or transferred to any person who is not a resident of an FATF or IOSCO compliant jurisdiction. For the purposes of this section, FATF compliant jurisdiction and IOSCO compliant jurisdiction shall have the following meaning:

“FATF compliant jurisdiction” – a country that is a member of Financial Action Task Force (“FATF”) or a member of a FATF-style regional body; and should not be a country identified in the public statement of the FATF as (a) a jurisdiction having a strategic anti-money laundering or combating the financing of terrorism deficiencies to which counter measures apply; or (b) a jurisdiction that has not made sufficient progress in addressing the deficiencies or has not committed to an action plan developed with the FATF to address the deficiencies.

“IOSCO compliant jurisdiction” – a country whose securities market regulator is a signatory to the International Organization of Securities Commission’s (“IOSCO’s”) Multilateral Memorandum of Understanding (Appendix A Signatories) or a signatory to bilateral Memorandum of Understanding with the Securities and Exchange Board of India for information sharing arrangements. This Offering Memorandum has not been and will not be reviewed or approved by any regulatory authority in India, including the Securities and Exchange Board of India, any Registrar of Companies or any stock exchange in India. This Offering Memorandum and the Bonds are not and should not be construed as an advertisement, invitation, offer or sale of any securities whether by way of private placement or to the public in India. The Shares issued on conversion of the Bonds are to be listed on the Indian stock exchanges on which the Shares are now listed. We have undertaken to apply to have the Shares issuable upon conversion of the Bonds approved for listing and trading on the BSE and NSE Under the FDI policy, issued by the Department for Promotion of Industry and Internal Trade (erstwhile Department of Industrial Policy and Promotion), Ministry of Commerce and Industry, Government of India, which is effective from 15 October 2020 foreign investment up to 100 per cent. is permitted in the other financial services sector through the automatic route, subject to satisfaction of certain conditions. As of 31 December 2020, the total foreign investment in our Company was 32.16 per cent. which may further increase upon completion of this Issue. The Company is required to make certain post-issue filings with the RBI. However, as stated elsewhere in this Offering Circular, in all cases of early redemption or repayment, under current regulations of the RBI applicable to convertible bonds, prior approval of the RBI for such earlier redemption or repayment will be necessary. See Risk Factors – Risks Relating to the Bonds and the Shares – RBI approval is required for repayment of the Bonds in certain circumstances, including upon redemption or an Event of Default” and “Risk Factors – Risks Relating to the Bonds and the Shares – The Issuer may not have the ability to redeem the Bonds”. The Companies Act, 2013, as amended and the rules framed thereunder, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, as amended, the Master Direction – External Commercial Borrowings, Trade Credits and Structured Obligations dated 26 March 2019, as amended, the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018, as amended and circulars or notifications issued thereunder by the RBI from time to time, allows all entities which are eligible to received foreign direct investment are eligible to raise ECBs (including FCCBs) (i) exceeding U.S. \$750 million under the “approval route” (with prior approval of the RBI); and (ii) up to U.S. \$750 million under the “automatic route” (without prior approval of the RBI), and subject to compliance with certain conditions specified therein. In accordance with the above rules and regulations, the Company is undertaking the present issue of Bonds. The following filings are also required

to be made by us in connection with issuance of the Bonds and at the time of conversion of Bonds into Shares: (i) filing with the RBI (through an AD Category I Bank) on Form ECB, before issuance of the Bonds to obtain the loan registration number; (ii) filing of return of allotment with the Registrar of Companies, NCT of Delhi and Haryana at New Delhi at the time of conversion of Bonds into Shares; (iii) filing of information on the Foreign Investment Reporting and Management System upon conversion of Bonds into Shares in the prescribed Single Master Form (for Form FC-GPR); and (iv) monthly filing with the RBI (through an AD Category I Bank) in the prescribed Form ECB 2 Return.

MANAGEMENT

The following is a summary of certain information concerning our management, certain provisions of the Companies Act, 2013. This summary is qualified in its entirety by reference to the Companies Act, 2013 and Indian law.

Board of Directors of the Issuer

The primary goal of our board of directors is to promote our corporate interests by representing us and our shareholders in administering our assets, managing our business, and running our corporate administration, defending the interests of shareholders, transparency, and the integrity of information. Apart from the matters reserved to the general shareholders' meeting, the board of directors is our highest representative and decision-making body, without any substantial constraints other than those established by the Companies Act, 2013 and our corporate purpose.

The following table sets forth, as of the date of this Offering Memorandum, the name, age, and title of each member of the board of directors of the Issuer and is followed by a summary of biographical information of each director.

Name	Age	Date of Appointment in current term	Position	Residential Address(es)
Naresh Jagumal Karda	41	2/02/2021	Chairman And Managing Director	Karda House, Gulmohar Colony, Behind Muktidham, Anand Nagar Nashik, Maharashtra, 422101.
Manohar Karda	41	2/02/2021	Executive Director	Karda House, Gulmohar Colony, Behind Muktidham, Anand Nagar Nashik, Maharashtra, 422101.
Rahul Dayama	37	26/12/2017	Non-Executive Independent Director	100 Polan Peth, Dana Bazar Jalgaon, Maharashtra 425001
Sandeep Shah	37	29/09/2018	Non-Executive Independent Director	A1 Harmony, Ashok Charavarti Road, Near Bonanza Esate, Damodar Wadi, Mumbai Kandivali Maharashtra, 40010.
Ziral Soni	29	25/10/2021	Non-Executive Independent Director	Sai Krupa Complex, Opp Muktidham Tilak Road, Nashik Road, Maharashtra, India.
Devesh Karda	21	13/11/2021	Executive Director	Karda House, Gulmohar Colony, Behind Muktidham, Anand Nagar Nashik, Maharashtra, 422101.

BOARD OF DIRECTORS BIOGRAPHY

Mr. Naresh Karda Mr. Naresh Karda, aged 45 years, is the Chairman and Managing Director of our Company. He is the promoter of our company. He is a diploma holder in Civil Engineering from Pravara Nagar Polytechnic, Maharashtra State Board. He has over 23 years of experience in the field of real estate & construction and has completed more than 36 projects and delivered 2,500 homes successfully in Nasik City. He has been awarded as the “*Business Icon of Nasik*” by Lokmat in 2014 and received the award from the hands of Chief Minister Mr. Devendra Fadnavis. He is responsible for providing disciplined and professional approach in his area of expertise i.e. Real Estate. He is also responsible for improving brand equity of our Company.

Mr. Manohar Karda Mr. Manohar Karda, aged 46 years, is the Whole Time Director of our Company. He is an

undergraduate. He has over 24 years of experience in the family business and around 9 years in the field of real estate & construction. He plays a crucial role in the purchase management of our Company. He is also responsible for various other day to day activities of our Company.

Mrs. Disha Karda Mrs. Disha Karda aged 43 years, is the Executive Director of our Company. She is a Graduate from Gujarat University and has also done her B.Ed. from Annamalai University. She has an overall experience of around 10 years. She is responsible for day-to-day operation, which includes managing committees and staff as well as developing business plans in collaboration with the board of the company. Also responsible for making sure that contracts, insurance requirements and safety standards are correctly complied with.

Mr. Sandeep Shah Mr. Sandeep Shah, aged 53 years, is a Non-Executive Independent Director of our Company. He has completed graduation as a Bachelor of Commerce from Mumbai University. He has over 30 years of experience in secretarial, financial, client management and coordination with various Stock Exchanges. He is currently working in the secretarial field and mainly handles corporate clients offering services ranging from incorporation of a company to regulatory listing, compliances, conducting Board Meetings and Annual General Meetings, listings & other corporate actions and various other activities in the lifecycle of a company.

Mr. Rahul Dayama Mr. Rahul Dayama aged 33 years, is a Non-Executive Independent Director of our Company. He is a Member of The Institute of Chartered Accountants of India since November 2016. He has also completed his Bachelors of Commerce from North Maharashtra University, Jalgaon in the year 2006. He had earlier worked with Haribhakti & Co. He has conducted Risk based Internal, Process & Information Technology audits for Banking, Financial, Manufacturing, Service, Health care and others Industries. He is practicing independently as a chartered accountant since February 2017.

Ziral Soni: Mrs. Ziral P. Soni is a Company Secretary having extensive experience in providing services and consultancy in Incorporation, Company Law, Securities Law, Finance and Secretarial Audits. She has completed her master's in commerce from Gujarat University and underwent her Apprenticeship Training under M/s Shah & Santoki Associates.

Corporate Governance

Corporate governance is the combination of rules, processes or laws by which businesses are operated, regulated, or controlled. The term encompasses the internal and external factors that affect the interests of a Company's stakeholders, including shareholders, customers, suppliers, government regulators and management. It essentially involves balancing the interests of a Company's many stakeholders, such as shareholders, senior management executives, customers, suppliers, financiers, the government, and the community. The Company is committed to the letter and spirit of corporate governance and is in compliance with the corporate governance norms as prescribed by SEBI. The Company has laid a strong foundation for Corporate Governance by constituting a Board with a balanced mix of experts of eminence and integrity, forming a core group of top level executives, inducting competent professionals across the organization, and putting in place appropriate systems, process, and technology.

In compliance with Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time, the Company submits the Corporate Governance Report for the year ended March 31, 2022.

Board Practices

There are currently Six Directors including one Executive Chairman, Two executive Directors and three non-executive Independent Directors. Any proposals for the appointment of directors that the board of directors may bring before the general shareholders' meeting for its consideration.

The board of directors and the nomination and remuneration committee shall make an effort to ensure that the candidates selected to act as external directors are persons of renowned reputation, credibility, solvency, competence, and experience, and shall take special care in considering the individuals called upon to fill the positions of independent directors.

Board Committees

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.

Audit Committee

The Audit Committee's role is to assist the Board fulfil its Corporate Governance and overseeing responsibilities in relation to the Company's financial reporting process carried out by the Management, internal control system, risk management system and internal and external audit functions. The Audit Committee functions according to its charter/terms of reference that defines its composition, authority, responsibilities, and reporting functions. The Board has adopted a charter of the Audit Committee for its functioning. All the items listed in Section 177 of the Act and Regulation 18(3) read with Part C of Schedule II of the SEBI Listing Regulations are covered in its terms of reference.

The Audit Committee also reviewed the reports on dealings under Prohibition of Insider Trading Regulations and Related Party Transactions. During the year under review, the Audit Committee reviewed the process and controls for Insider Trading and also adopted a framework for levying penalties in case of any violation under the Insider Trading Code.

During the Financial Year ended March 31, 2022 year under review) 5 (Five) Audit Committee meetings were held on April 01, 2021; May 31, 2021; September 7, 2021; October 21, 2021; and February 1, 2022.

The Audit Committee consists of:-

Audit Committee			
Name of Committee members	Category	Date Of Appointment	
Rahul Kishor Dayama	Non-Executive - Independent Director, Chairperson	17-08-2021	
Naresh Jagumal Karda	Executive Director, Member	17-08-2021	
ZIRAL PANKAJKUMAR SONI	Non-Executive - Independent Director, Member	25-10-2021	

Stakeholders' Relationship Committee

. The Committee is constituted to supervise and ensure Share Transfer related matters and to look after the Stakeholder's Grievances. The members of the committee are

During the Financial Year ended March 31, 2022, 4 (Four) meeting of Stakeholders Relationship Committee were held on April 01, 2021; August 9, 2021, October 25, 2021 and February 1, 2022.

The Stakeholders' Relationship Committee consists of:-

Stakeholders Relationship Committee			
Name of Committee members	Category	Date Of Appointment	
Rahul Kishor Dayama	Non-Executive - Independent Director, Chairperson	30-08-2017	
ZIRAL PANKAJKUMAR SONI	Non-Executive - Independent Director, Member	25-10-2021	
Devesh Naresh Karda	Executive Director, Member	11-10-2021	

Nomination and Remuneration Committee

The role of the Nomination and Remuneration Committee ('NRC') is to oversee the selection of Directors and Senior Management Personnel based on criteria related to the specific requirement of expertise and independence. The NRC evaluates the performance of Directors and Senior Management Personnel based on the expected performance criteria. The NRC also recommends to the Board the remuneration payable to Directors and Senior Management Personnel of the Company.

During the Financial Year ended March 31, 2022, 6 (Six) Nomination and Remuneration Committee meetings were held on April 1, 2021, May 31, 2021, August 9, 2021, October 11, 2021; ; October 25, 2021 and February 1, 2022.

The Nomination and Remuneration Committee consists of:

Nomination and remuneration committee			
Name of Committee members	Category	Date Of Appointment	
Rahul Kishor Dayama	Non-Executive - Independent Director, Member	30-08-2017	
Sandeep Ravindra Shah	Non-Executive - Independent Director, Chairperson	17-02-2018	
ZIRAL PANKAJKUMAR SONI	Non-Executive - Independent Director, Member	25-10-2021	

Corporate Social Responsibility Committee

As mandated under Section 135 of the Companies Act, 2013 the Company was required to spend towards CSR activities in the FY 2020 -21 an amount of Rs. 21,61,689/-The details of the expenditure are mentioned in CSR report annexed to the report.

During the Financial Year ended March 31, 2022, 4 (Four) meeting of Stakeholders Relationship Committee were held on April 1, 2021, July 16, 2021, October 25, 2021 and February 1, 2022

The Corporate Social Responsibility Committee consists of:

Corporate Social Responsibility Committee			
Name of Committee members	Category	Date Of Appointment	Date of Cessation
Rahul Kishor Dayama	Non-Executive - Independent Director, Chairperson	30-08-2017	-
Naresh Jagumal Karda	Executive Director, Member	30-08-2017	-
Devesh Naresh Karda	Executive Director, Member	11-10-2021	-

Independent Directors Meeting

During the year under review, one (1) meeting of the Independent Directors of the Company was held on February 13, 2021 as required under Schedule IV to the Act (Code of Independent Directors) and Regulation 25(3) of the SEBI Listing Regulations. At their Meeting, the Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole including the Chairman of the Board after taking the views of Executive Directors and Non-Executive Directors and also assessed the quality, quantity, and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Risk Management Committee

During the Financial Year ended March 31, 2022, 2 (Two) meeting of Risk Management Committee were held on February 1, 2022 and March 30, 2022.

The Risk Management Committee consist of:

Risk Management Committee			
Name of Committee members	Category	Date Of Appointment	Date of Cessation
Rahul Kishor Dayama	Non-Executive, Independent Director, Member	17-08-2021	-
Naresh Jagumal Karda	Executive Director, Chairperson	17-08-2021	-
Devesh Naresh Karda	Executive Director, Member	25-10-2021	-

Compensation of Board of Directors and Senior Management

S. No.	Name of the Director	Nature of Transactions	Amount (in Million)
1.	Mr. Devesh Karda	N.A	N.A
2.	Mr. Naresh Karda	Remuneration	9.0
3.	Mr. Manohar Karda	Remuneration	6.0
4.	Mr. Rahul Kishore Dayama	Sitting fees	1.50
5.	Mr. Sandeep Ravindra Shah	Sitting fees	.60
6.	Mrs. Ziral Pankajkumar Soni	N.A	N.A

PRINCIPAL SHAREHOLDERS

As of the date of this Offering Memorandum, the issued share capital of the Issuer consisted of 61,50,00,000 shares of INR 1 par value in total amounting to Rs. 61.50 million

The following table sets forth information regarding the principal shareholders holding shares of the Issuer as per the shareholders register as of September 30, 2022.

Name of the Shareholder	No. of Shares (as on date)	% of Shareholding
Naresh Jagumal Karda	17,71,50,000	31.89%
Laxman Jagumal Karda	3,00,000	0.05%
Mr. Manohar Karda	51,040	0.01 %
Mr. Karamchand Karda	2,50,000	0.04 %
Mrs. Komal Karda	4,50,000	0.07%
Mrs. Neha Prem Karda	7,00,000	0.11%
Total (a)	1,97,901,040	32.18%
Institutional Investors		
Elara India Opportunities Fund Limited	27,56,45,10	4.48%
Nomura Singapore Limited Odi	24,65,00,00	4.00%
Anju Batra	13,08,18,00	2.13%
Niraj Rajnikant Shah	10,79,08,12	1.75%

Vaishali Yatin Shah	12,40,95,55	2.02%
Nexpact Limited	11,58,00,00	1.89%
Sumit P Desai (HUF)	11,53,93,68	1.87%
Lotus Global Investments Limited	11,50,00,00	1.87%
Public Shareholding (b)	41,70,98,960	67.82%
TOTAL (a) + (b)	61,50,00,000	100%

RELATED PARTY TRANSACTIONS

From time to time the Company enters into transaction with affiliates or related parties, and with its associate company. The Company's policy is that such transactions are made on an arm's length basis and are on no less favourable terms than if such transactions were carried out with unaffiliated third parties. Full details of related party transactions with its subsidiary and associates as of 31 March 2021 are set out in the Company's financial statements included elsewhere in the Offering Memorandum.

The term "promoter" is defined in the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 2011 as:

- (i) the person or persons who are in control of the issuer; or
- (ii) the person or persons who are instrumental in the formulation of a plan or programme pursuant to which specified securities are offered to public
- (iii) the person or persons named in the offer document as promoters

Provided that a director or officer of the issuer or a person, if acting as such merely in his professional capacity, shall not be deemed as a promoter:

Provided further that a financial institution, scheduled bank, foreign institutional investor, and mutual fund shall not be deemed to be a promoter merely by virtue of the fact that ten per cent. or more of the equity share capital of the issuer is held by such person;

Provided further that such financial institution, scheduled bank, and foreign institutional investor shall be treated as promoter for the subsidiaries or companies promoted by them or for the mutual fund sponsored by them.

Statements for year ended on 31st March 2022 included elsewhere in this Offering Memorandum. Similar disclosures are made in each of the audited financial statements for each year.

<https://www.bseindia.com/stock-share-price/kbc-global-ltd/kbcglobal/541161/qtrid/113/related-party-transactions-new/Mar-2022/>

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FINANCIAL INDEBTEDNESS

The following summary of the material terms of certain financing arrangements to which the Issuer, and certain of the Issuer's other subsidiaries are a party does not purport to be complete and is subject to, and qualified in its entirety by reference to, the underlying documents. For further information regarding our existing indebtedness, see "Management's Discussion and Analysis of Financial Condition and Results of Operations."

The details of outstanding loans are as follows:

S. No.	Name of the Bank	Amount sanctioned	Outstanding amount as on 31 December 2021
1.	Central Bank of India	375,00,000	3,77,64,421
2.	Canara Bank	15,00,00,000	10,10,46,294
3.	SBI Cap Trustee Company Limited	25,00,00,000	13,44,93,181
4.	TATA Capital Housing	45,00,00,000	7,37,89,027
5.	TATA Capital Housing	35,00,00,000	5,24,63,628
6.	TATA Capital Housing	22,00,00,000	1,02,65,343
7.	Capri Global	23,00,00,000	15,59,25,023
8.	ICICI Bank	1,00,00,000	Nil
9.	Vyapari Sahakari Bank Ltd	25,00,00,000	2,45,97,970
10.	Vyapari Sahakari Bank Ltd	25,00,00,000	2,49,73,495
11.	Vyapari Sahakari Bank Ltd	25,00,00,000	43,04,630
12.	Vyapari Sahakari Bank Ltd	25,00,00,000	38,75,135
13.	Vyapari Sahakari Bank Ltd	500,00,000	2,51,24,990

TERMS AND CONDITIONS OF THE BONDS

The following terms and conditions (subject to completion and amendment) will apply to the Bonds and will be endorsed on each definitive Bond certificate:

The following Conditions as defined herein shall, inter alia, govern the issue of the Bonds, the conversion into Shares as well as the transfer of the Bonds. The application for the listing of the Bonds has been made pursuant to the special resolution passed by a special resolution of the Shareholders of the Company passed at Annual General Meeting 7th August 2021. The issue of the US\$ 95,000,000.00, @1.50% - 950 Unsecured Foreign Currency Convertible Bonds due December 10, 2025 with 15% discount on issue price (the "Bonds", which expression shall, except where otherwise indicated or where the context otherwise requires, include any further Bonds issued in accordance with Condition 15 and standalone and forming a single series therewith) of KBC (the "Company") was authorised pursuant to a resolution of the Board of Directors of the Company passed on 16th July 2021 and pursuant to a special resolution of the Shareholders of the Company passed at Annual General Meeting 7th August 2021. The Bonds are constituted by an RTA Agreement/Deed dated 5th January, 2023 (the "Deed" and the "Issue Date" respectively) between the Company and Accurate Securities and Registry Private Limited (the "Registrar" which term includes any successor Registrar under the Deed) and are in registered form. The statements set out in these terms and conditions (the "Conditions") include summaries of, and are subject to, the detailed provisions of the Deed. The holders of the Bonds as shown in the Register as defined herein (the "Bondholders" and (in relation to a Bond), the "holder")) are entitled to the benefit of, bound by and are deemed to have notice of, all the provisions applicable to them of the paying and conversion agency agreement dated the Issue Date (the "Agency Agreement") between the Company, SBM Fund Services Limited as principal paying and conversion agent (the "Principal Paying and Conversion Agent"), Accurate Securities and Registry Private Limited (the "Registrar") and transfer agent (the "Transfer Agent") and the other paying, conversion and transfer agents appointed under it (each a "Paying Agent", "Conversion Agent", "Transfer Agent" (references to which shall include the Registrar) and together with the Registrar and the Principal Paying and Conversion Agent, the "Agents" (which shall, where applicable, include the Singapore agents as described in Condition 21) relating to the Bonds. References to the "Principal Paying and Conversion Agent", "Registrar", "Transfer Agent", "Conversion Agent" and "Agents" in these Conditions are references to the principal paying and conversion agent, registrar, transfer agent, conversion agent and agents for the time being for the Bonds. Copies of each of the Trust Deed and the Agency Agreement are available for inspection by Bondholders or prospective Bondholders during usual business hours, on any weekday (except Saturdays, Sunday, and public holidays) at the specified offices of the Agents.

1 Form, register and transfer of Bonds

- 1.1 The Bonds will be traded OTC in a minimum board lot size of USD100,000.00 for so long as the Bonds are listed on the AFRINEX, Mauritius. The Bonds are issued in registered form in the denomination of USD 1,00,000.00 (US dollars one hundred thousand) each ("Authorised Denomination") or integral multiples thereof. A Bond certificate may be issued to each Bondholder in respect of its total registered holding of Bonds (each a "Certificate"). Each Bond will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the Register (to be kept in accordance with Condition 1.2). The Bonds will initially be represented by a global certificate ("Global Certificate") and deposited with a depository, and registered in the name of a nominee of the depository or their respective participants. Except in the limited circumstances described in the Global Certificate, owners of interests in Bonds represented by the Global Certificate will not be entitled to receive definitive Certificates in respect of their individual holdings of Bonds. The Bonds are not issuable in bearer form.
- 1.2 The Company shall at all times keep or cause to be kept at the specified office of the Registrar in accordance with the terms of the Agency Agreement, a register (the "Register") showing the nominal amount of the Bonds, the date of issue and all subsequent transfers and changes of ownership thereof and the names and addresses of the Bondholders. The Bondholders may during office hours of the Registrar, inspect the Register. The Register may be closed by the Company for such periods and at such times (not exceeding in whole, thirty (30) days in any one year) as it may think fit provided that notice should be given to the Bondholders, in accordance with Condition 19, fifteen (15) days prior to the closure of the Register and notice in writing to the Trustee and Agents twenty-five (25) days prior to such closure.
- 1.3 Title to the Bonds passes only by transfer and registration in the Register. The registered holder of any Bond will, except as otherwise required by law, be treated as the absolute owner for all purposes and no person shall be bound to take notice or see to the execution of any trust, charge, or encumbrance whether express, implied, or constructive to which any Bond may be subject and no person shall be liable for so treating the Bondholder. The

receipt of the Bondholder, or in the case of joint Bondholders, the receipt of any of them, of the interest from time to time accruing in respect of it or for any other monies payable on the Bond shall be a good discharge to the Company, notwithstanding any notice it may have, whether express or otherwise, of the right, title, interest or claim of any other person to or in such Bond, interest, or monies. No notice of any trust, charge, encumbrance, or dispute, express, implied, or constructive shall be entered on the Register in respect of any Bond.

- 1.4 Every Bondholder will be recognised by the Company as entitled to his Bonds free from any equity, set-off or counter-claim on the part of the Company against the original or any intermediate holder of the Bond.
- 1.5 Subject to Condition 1.12 and 1.14 Bond may be transferred by delivering the Certificate issued in respect of that Bond, with the form of transfer on the back duly completed and signed to the specified office of any of the Transfer Agents. No transfer of title to any Bond will be effective unless and until entered on the Register. Transfers of interests in the Bonds evidenced by the Global Certificate will be effected in accordance with the rules of the relevant clearing systems.
- 1.6 The Bonds are not transferable to U.S. persons (as defined in the United States Bonds Act 1933 (as amended)) nor to persons that are resident in India. The Registrar may without incurring any liability whatsoever and without giving any reason, refuse to register any such person as the holder of a Bond, furthermore the Registrar is under no obligation to enquire as to the residency or tax status of a holder or potential holder in determining whether to register the relevant person as the holder of the Bond and shall not be liable to any person for any failure to do so. The Registrar will not be liable for any registration made nor will it be liable where it abstains from making any registrations pursuant to this Condition.
- 1.7 Every instrument of transfer must be signed by the transferor (or where the transferor is a corporation given under its common seal) and the transferor shall be deemed to remain the owner of the Bond to be transferred until the name of the transferee is entered in the Register in respect of that Bond.
- 1.8 Every instrument of transfer must be deposited at the specified office of any of the Transfer Agents accompanied by the Certificate for the Bond to be transferred and, if the instrument is executed by some other person on his behalf, the authority of that person to do so as the Transfer Agent may require as prescribed under the regulations referred to in Condition 1.14.
- 1.9 All instruments of transfer which shall be registered will be retained by the Registrar and all records of transfer shall be maintained by the Registrar.
- 1.10 Delivery of New Certificates

Each new Certificate to be issued upon transfer of the Bonds will, within five (5) business days, at the place of the relevant specified office, of receipt by the relevant Transfer Agent, of the duly completed form of transfer together with original Certificate, be mailed by uninsured mail at the risk of the Bondholder entitled to the Bond and at the expense of the Company to the address specified in the form of transfer. Where some, but not all the Bonds, in respect of which a Certificate is issued are to be transferred, converted or repurchased, a new Certificate in respect of the Bonds not so transferred, converted or repurchased, will within five (5) business days at the place of the relevant specified office of deposit or surrender of the original Certificate with or to the relevant Transfer Agent, be mailed by uninsured mail at the risk of the holder of the Bonds not so transferred, converted or repurchased at the expense of the Company to the address of such holder appearing on the Register.

- 1.11 Formalities free of charge

Registration and transfer of the Bonds and issuance of new Certificates will be effected at the expense of the Company and without charge by or on behalf of the Company or any of the Agents, subject to payment (or the giving of such indemnity, pre-funding and/or provision of security as any Agent may require to its satisfaction) in respect of any tax or other Governmental charges which may be imposed in relation to it.
- 1.12 No transfer periods

No Bondholder may require the transfer of a Bond to be registered:
 - 1.12.1 during the period of fifteen (15) days ending on (and including) the due date for any payment of principal on such Bond;
 - 1.12.2 during the period of seven (7) Business Days (as defined in Condition 8.9) ending on (and including) any record date;

- 1.12.3 after a Bondholder Purchase Notice as defined in Condition 7.10 in respect of such Bond has been delivered;
- 1.12.4 after the Certificate in respect of such Bond has been deposited for conversion pursuant to Condition 5.1 or Condition 5.4.1; and
- 1.12.5 during the period of closure of the Register pursuant to Condition 1.2.

- 1.13 Any person becoming entitled to a Bond in consequence of the death or bankruptcy of the holder of such Bonds may, on producing such evidence that he sustains the character in respect of which he proposes to act under this clause or of his title as the Company shall think sufficient, be registered himself as the holder of such Bond, or subject to the preceding condition, as to transfer may transfer such Bonds. The Registrar shall effect such entries in the Register as the Company shall direct in writing to reflect such entitlements.
- 1.14 All transfers of the Bonds and entries on the Register will be made subject to the detailed regulations concerning transfer of the Bonds set forth in the Agency Agreement. The regulations may be changed by the Company, with the prior written approval of the Registrar. A copy of the current regulations will be mailed (at the Company's expense) by the Registrar to any Bondholder who asks for one.

2 Status

The Bonds will constitute direct, unsubordinated, unconditional, and unsecured obligations of the Company and will at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Company under the Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law, at all times rank at least equally with all of its other present and future direct, unsubordinated, unconditional, and unsecured obligations.

3 Negative Pledge

- 3.1 Restriction: so long as any Bond remains outstanding (as defined in the Trust Deed):
 - 3.1.1 The Company will not, and will procure that none of its Principal Subsidiaries will, create or permit to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest ("Security") upon the whole or any part of its undertaking, assets or revenues present or future to secure any Relevant Debt, or any guarantee of or indemnity in respect of any Relevant Debt;
 - 3.1.2 The Company will procure that no other person creates or permits to subsist any Security upon the whole or any part of the undertaking, assets or revenues present or future of that other person to secure (x) any of the Company's or any Principal Subsidiary's Relevant Debt, or any guarantee of or indemnity in respect of any of the Company's or any Principal Subsidiary's Relevant Debt, or (y) where the person in question is a Principal Subsidiary of the Company, any of the Relevant Debt of any person other than that Principal Subsidiary, or any guarantee of or indemnity in respect of any such Relevant Debt;
 - 3.1.3 The Company will procure that no other person gives any guarantee of, or indemnity in respect of, any of the Company's or any Principal Subsidiary's Relevant Debt. Unless, at the same time or prior thereto, the Company's obligations under the Bonds and the Trust Deed, (aa) are secured equally and rateably therewith or benefit from a guarantee or indemnity in substantially identical terms thereto, as the case may be, or (bb) have the benefit of such other security, guarantee, indemnity, or other arrangement as shall be approved by an Extraordinary Resolution of the Bondholders;
 - 3.1.4 "Principal Subsidiary" means any subsidiary of the Company and either (i) the revenues of which, as shown by the accounts (standalone in the case of any entity which itself has subsidiaries) of such entity upon which the latest audited standalone accounts of the Company have been based, are at least 25 percent of the revenues of the Company on a standalone basis or (ii) the net tangible assets of which, as shown by the aforementioned accounts, are at least 25 percent of the net tangible assets, as applicable, of the Company on a standalone basis. A certificate of the Company's Auditors as to whether a subsidiary is a Principal Subsidiary shall be binding on the Company and (in the absence of manifest error, in the Trustee's opinion), the Trustee.
 - 3.1.5 Relevant Debt: For the purposes of this Condition, "Relevant Debt" means any present or future indebtedness in the form of, or represented by, bonds, notes, debentures, or other Bonds which are for the time being quoted, listed, or ordinarily dealt in on any stock exchange, over-the-counter or other Bonds

market, having an original maturity of more than one year from its date of issue and denominated, payable or optionally payable in a currency other than Rupees.

For the avoidance of doubt, indebtedness which does not fall within the definition of “Relevant Debt” shall not be affected by the negative pledge described above (including for example commercial paper with a maturity of less than one year and bank borrowings which are not in the form of listed tradable Bonds).

- 3.2 The Company will not take any corporate or other action pursuant to Condition 5.3 that would cause the Conversion Price to be adjusted to a price which would render conversion of the Bonds into Shares at such adjusted Conversion Price to be in contravention of applicable law or subject to approval from the Reserve Bank of India, the Ministry of Finance, Government of India and/or any other governmental/regulatory authority in India (the “Regulatory Price Floor”). The Company also covenants that prior to taking any action which would cause an adjustment to the Conversion Price below the Regulatory Price Floor, the Company shall provide the Trustee with a price adjustment opinion of a legal counsel in India of international repute, stating that the Conversion Price as proposed to be adjusted pursuant to such action, is in conformity with applicable law and that the conversion of the Bonds to the Shares at such adjusted Conversion Price would not require approval of the Reserve Bank of India, the Ministry of Finance, India and/or any other governmental/regulatory authority in India (the “Price Adjustment Opinion”). To the extent that an event triggering an adjustment to the Conversion Price occurs and the Company is unable to provide the Trustee with a Price Adjustment Opinion, the Company shall give notice to Bondholders of their Non-Permitted Conversion Price Adjustment Event Repurchase Right, as defined in and pursuant to Condition 7.6 herein.

4 **Interest**

4.1 Interest Rate

The Bonds will bear 1.50% coupon interest

5 **Conversion**

5.1 Conversion Period and Price

- 5.1.1 The holder of each Bond that has not been redeemed, converted or purchased and cancelled shall have the right (the "Conversion Right") to convert ("Conversion") such Bond into registered equity shares in the capital of the Company which at the date hereof are Rs.1 per Share ("Shares"), credited, as fully paid, at any time (subject to any applicable fiscal or other laws or regulations and as hereinafter provided) after December 10, 2025 (the “Maturity Date”) to the close of business (at the place where the relevant Bond is deposited for Conversion) on 10th December 2025 (the date falling 7 calendar days before the Maturity Date) (the "Conversion Period"). If such Bond has been called for redemption by the Company prior to the Maturity Date, the Conversion Period for that Bond ends at the close of business (at the place where the Certificate is deposited for conversion of that Bond) on the seventh Business Day prior to the date fixed for redemption. Each Bond may be converted at the Conversion Price (as herein defined) during the Conversion Period at the option of the Bondholder.

- 5.1.2 A Conversion Right may not be exercised in relation to any Bond during the period (a "Closed Period") commencing on (i) 7 days after the date of Book Closure (ii) Maturity Date (iii) the date that the Company notifies the BSE and the NSE of the record date for determination of shareholders entitled for receipt of dividends, subscription of shares due to capital increase or other benefits, and ending on the record date for the distribution or allocation of the relevant dividends, rights and benefits or (iv) on such date and for such period as determined by Indian law applicable from time to time that the Company is required to close its stock transfer books. The Company will give notice of such Closed Period to the Bondholders, the Trustee and each of the Agents at least 10 Business Days in writing prior to the beginning of each such period except in the case of (iii) above in which case, the Company shall give notice in writing to the Bondholders, the Trustee, and the Agents on the same day it notifies the BSE and the NSE.

For the avoidance of doubt, Conversion Right may not be exercised (i) in respect of a Bond where the Bondholder shall have exercised its right to require the Issuer to repurchase its Bonds in accordance with Conditions 7.4, 7.5 and 7.6.

- 5.1.3 A Conversion Right may only be exercised in respect of an Authorised Denomination of Bonds and in integral multiples thereof.

- 5.1.4 The number of Shares to be issued on exercise of a Conversion Right shall be determined by dividing the principal

amount of the relevant Bond (translated into Rupees at the rate of Rs.(Exchange Price of the date of conversion) to USD1.00 (the "Fixed Exchange Rate") by the Conversion Price in effect on the Conversion Date as calculated by reference to Condition 5.2. Fractions of Shares will not be issued on conversion and no cash adjustment will be made in respect thereof. However, if the Conversion Right in respect of more than one Bond is exercised at any one time such that Shares to be issued on conversion are to be registered in the same name, the number of such Shares to be issued in respect thereof shall be calculated on the basis of the aggregate principal amount of the Bonds being so converted. Shares to be issued on conversion will be deemed to be registered as of the relevant Conversion Date in the name of the holder of the Bonds completing the Conversion Notice (as defined in Condition 5.4.1) or his nominee as specified by the Bondholder in such Conversion Notice.

Neither the Trustee nor any of the Agents shall be responsible for calculating, determining or verifying the number of Shares to be issued on conversion of a Bond or the method used in such determination or for verifying the Company's determination of such number of Shares or method of determination and neither the Trustee nor any of the Agents shall be responsible or liable to the Bondholders or any other person for any loss arising from any failure to do so or for any erroneous determination by the Company or any delay or failure of the Company in making such determination.

- 5.1.5 "Shares" means (1) shares of the class of share capital of the Company which, at the Issue Date, are designated as equity shares of the Company, together with shares of any class or classes resulting from any sub-division, consolidation or re-classification of those shares, which as between themselves have no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation or winding-up of the Company, and (2) fully-paid shares of any class or classes of the share capital of the Company authorised after the Issue Date which have no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation or winding-up of the Company; provided that shares to be issued on conversion of the Bonds means only "Shares" as defined in Condition 5.1.1.
- 5.1.6 Where Bonds are cancelled and converted into GDRs, the GDRs shall be GDRs without any voting rights in favour of the GDR holder until completion of cancellation of the GDRs and their conversion into the Equity Shares of the Issuer.
- 5.2 Conversion Price
- Subject to the provisions of Condition 5.3, the Bonds shall be subject to following conversion prices:
- 5.2.1 The price at which Shares will be issued upon Conversion as adjusted from time to time ("Conversion Price") will initially be Rs.1.00 per Share or as per SEBI pricing Guidelines ("Initial Conversion Price") but will be subject to adjustment in the manner provided under the Condition 5.3. The Company shall give notice of any adjustment of the Conversion Price to the Registrar, the Exchange and the Agents immediately after the determination thereof and to the Bondholders in accordance with Condition 5.3.22 and 19. Notwithstanding the provisions of this Condition, the Company covenants that the Conversion Price shall not be reduced below such price as may be prescribed by the applicable laws and regulations for the time being in force.
- 5.2.2 Exchange rate on conversion
- For the purpose of this Condition 5, the exchange rate of US dollars to rupees shall be the Exchange Rate of the date of conversion.
- 5.3 Adjustment to Initial Conversion Price
- The Initial Conversion Price will be subject to adjustment as follows:
- 5.3.1 Free distribution, bonus issue, division, consolidation, and reclassification of Shares:
- 5.3.1.1 **Adjustment:** If the Company shall (a) make a free distribution of Shares, (b) make a bonus issue of its Shares, (c) divide its outstanding Shares, (d) consolidate its outstanding Shares into a smaller number of Shares, or (e) re-classify any of its Shares into other Bonds of the Company, then the Initial Conversion Price shall be appropriately adjusted so that the holder of any Bond, the Conversion Date in respect of which occurs after the coming into effect of the adjustment described in this Condition 5.3.1 shall be entitled to receive the number of Shares and/or other Bonds of the Company which he would have held or have been entitled to receive after the happening of any of the events described above had such Bond been converted immediately prior to the happening of such event (or, if the Company has fixed a prior record date for the determination of shareholders entitled to receive any such free

distribution or bonus issue of Shares or other Bonds issued upon any such division, consolidation or reclassification, immediately prior to such record date), but without prejudice to the effect of any other adjustment to the Initial Conversion Price made with effect from the date of the happening of such event (or such record date) or any time thereafter.

5.3.1.2 Effective date of adjustment: An adjustment made pursuant to Condition 5.3.1.1 above shall become effective immediately on the relevant event referred to above becoming effective or, if a record date is fixed therefore, immediately after such record date; provided that in the case of a free distribution or bonus issue of Shares which must, under applicable laws of India, be submitted for approval to a general meeting of shareholders or be approved by a meeting of the Board before being legally paid or made, and which is so approved after the record date fixed for the determination of shareholders entitled to receive such distribution or issue, such adjustment shall, immediately upon such approval being given by such meeting, become effective retroactively to immediately after such record date.

5.3.2 Declaration of dividend in Shares:

If the Company shall issue Shares as a dividend in Shares or make a distribution of Shares which is treated as a capitalisation issue for accounting purposes under International Financial Reporting Standards (including but not limited to capitalisation of capital reserves and employee stock bonus), then the Conversion Price in effect when such dividend and/or distribution is declared (or, if the Company has fixed a prior record date for the determination of shareholders entitled to receive such dividend and/or distribution, on such record date) shall be adjusted in accordance with the following formula:

$$NCP = OCP \times [N/(N + n)]$$

where:

NCP = the Conversion Price after such adjustment.

OCP = the Conversion Price before such adjustment.

N = the number of Shares outstanding, at the time of issuance of such dividend and/or distribution or at the close of business in Mumbai on such record date as the case may be).

n = the number of Shares to be distributed to the shareholders as a dividend and/or distribution.

5.3.3 Concurrent adjustment events:

If the Company shall declare a dividend in, or make a free distribution or bonus issue of Shares and such dividend, issue or distribution is to be paid or made to shareholders as of a record date which is also:

5.3.3.1 the record date for the issue of any rights or warrants which requires an adjustment of the Conversion Price pursuant to Conditions 5.3.5 to 5.3.7;

5.3.3.2 the day immediately before the date of issue of any Bonds convertible into or exchangeable for Shares, which requires an adjustment of the Conversion Price pursuant to Condition 5.3.9;

5.3.3.3 the day immediately before the date of issue of any Shares which requires an adjustment of the Conversion Price pursuant to Condition 5.3.10 or, if applicable, the record date for determination of stock dividend entitlement as referred to in Condition 5.3.10;

5.3.3.4 the day immediately before the date of issue of any rights, options or warrants which requires an adjustment of the Conversion Price pursuant to Condition 5.3.11; or

5.3.3.5 determined by the Company and notified by the Company to the Trustee and Principal Paying and Conversion Agent in writing to be the relevant date for an event or circumstance which requires an adjustment to the Conversion Price pursuant to Condition 5.3.13;

then (except where such dividend, bonus issue or free distribution gives rise to a retroactive adjustment of the Conversion Price under Conditions 5.3.1 and 5.3.2) no adjustment of the Conversion Price in respect of such dividend, bonus issue or free distribution shall be made under the Conditions 5.3.1 and 5.3.2, but in lieu thereof an adjustment shall be made under Conditions 5.3.5, 5.3.6, 5.3.7, 5.3.9, 5.3.10, 5.3.11 or 5.3.13 (as the case may require) by including in the denominator of the fraction described therein the aggregate number of Shares to be

issued pursuant to such dividend, bonus issue or free distribution.

5.3.4 Extraordinary Cash Dividends:

In case the Company shall, by dividend or otherwise, distribute cash (excluding any dividend or distribution that is not an Extraordinary Cash Dividend) to all holders of Shares then, in such case, the Conversion Price shall be adjusted (with such adjustment to be effective on the record date for the determination of shareholders entitled to receive such distribution) in accordance with the following formula:

$$NCP = OCP \times [(M - C)/M]$$

where:

NCP and OCP have the meanings ascribed thereto in Condition 5.3.5 below.

M = the Current Market Price per Share on such record date.

C = the amount of cash so distributed (and not excluded as provided for above) applicable to one Share.

If such dividend or distribution is not so paid or made, the Conversion Price shall again be adjusted to be the Conversion Price which would then be in effect if such dividend or distribution had not been approved.

For purposes of this Condition 5.3.4, an Extraordinary Cash Dividend occurs if, at the effective date, the total amount of:

- a. any cash dividends paid or declared by the Company on the Shares, prior to deduction of any withholding tax plus any corporate tax attributable to that dividend; and
- b. all other cash dividends paid or declared on the Shares in the 365 consecutive day period prior to the effective date (other than any dividend or portion thereof previously deemed to be an Extraordinary Cash Dividend) (the “previous dividends”), except that where the date of announcement for dividends for two different fiscal years has occurred in such 365 day period, such dividends relating to the earlier fiscal year will be disregarded for the purpose of determining the previous dividend ((a) and (b) together being the “total current dividend”),

equals or exceeds on a per Share basis five percent of the Average Closing Price (as defined below) of the Shares during the Relevant Period (as defined below) provided that any dividend paid or declared by the Company will not constitute an Extraordinary Cash Dividend if the amount paid or declared by the Company is equal to an amount not greater than 300% of the dividends paid or declared by the Company in the previous fiscal year. For the avoidance of doubt, all amounts are on a per Share basis.

The “**Average Closing Price**” is the arithmetic average of the Closing Price per Share for each Trading Day during the Relevant Period.

The “**Relevant Period**” means the period beginning on the first Trading Day after the record date for the first cash dividend aggregated in the total current dividend, and ending on the Trading Day immediately preceding the record date for the cash dividend which caused the adjustment to the Conversion Price pursuant to this Condition 5.3.4. However, if there were no cash dividends declared during the 365 consecutive day period prior to the record date for the cash dividend which caused the adjustment to the Conversion Price pursuant to this Condition 5.3.4, the relevant period will be the entire period of 365 consecutive days.

5.3.5 Rights Issues to Shareholders and others:

Adjustment: If the Company shall grant, issue, or offer to the holders of Shares rights entitling them to subscribe for or purchase Shares, which expression shall include those Shares that are required to be offered to employees and persons other than shareholders in connection with such grant, issue or offer:

- 5.3.5.1 at a consideration per Share receivable by the Company (determined as provided in Condition 5.3.16) which is fixed on or prior to the record date for the determination of shareholders entitled to receive such rights and is less than the Current Market Price per Share at such record date; or
- 5.3.5.2 at a consideration per Share receivable by the Company which is fixed after the record date for the determination of shareholders entitled to receive such rights and is less than the Current Market Price

per Share on the date the Company fixes the said consideration,

then the Conversion Price in effect (in a case within 5.3.5.1 above) on the record date for the determination of shareholders entitled to receive such rights or (in a case within 5.3.5.2 above) on the date the Company fixes the said consideration shall be adjusted in accordance with the following formula:

$$\text{NCP} = \text{OCP} \times [(N + v)/(N + n)]$$

where:

NCP = the Conversion Price after such adjustment.

OCP = the Conversion Price before such adjustment.

N = the number of Shares outstanding at the close of business in India (in a case within 5.3.5.1 above) on such record date or (in a case within 5.3.5.2 above) on the date the Company fixes the said consideration.

n = the number of Shares initially to be issued upon exercise of such rights at the said consideration being (aa) the number of Shares which underwriters have agreed to underwrite as referred to below or, as the case may be, (bb) the number of Shares for which applications are received from shareholders as referred to below save to the extent already adjusted for under (aa).

v = the number of Shares which the aggregate consideration receivable by the Company (determined as provided in Condition 5.3.16) would purchase at such Current Market Price per Share specified in 5.3.5.1 or, as the case may be, 5.3.5.2 above.

Effective date of adjustment: Subject as provided below, such adjustment shall become effective immediately after the latest date for the submission of applications for such Shares by shareholders entitled to the same pursuant to such rights or (if later) immediately after the Company fixes the said consideration but retroactively to immediately after the record date mentioned above.

Rights not taken up by Shareholders: If, in connection with a grant, issue or offer to the holders of Shares of rights entitling them to subscribe for or purchase Shares, any Shares which are not subscribed for or purchased by the persons entitled thereto are underwritten by other persons prior to the latest date for the submission of applications for such Shares, an adjustment shall be made to the Conversion Price in accordance with the above provisions which shall become effective immediately after the date the underwriters agree to underwrite the same or (if later) immediately after the Company fixes the said consideration but retroactively to immediately after the record date mentioned above.

If, in connection with a grant, issue or offer to the holders of Shares of rights entitling them to subscribe for or purchase Shares, any such Shares which are not subscribed for or purchased by the underwriters who have agreed to underwrite as referred to above or by the shareholders entitled thereto (or persons to whom shareholders have transferred such rights) who have submitted applications for such Shares as referred to above are offered to and/or subscribed by others, no further adjustment shall be made to the Conversion Price by reason of such offer and/or subscription.

5.3.6 Warrants issued to Shareholders:

Adjustment: If the Company shall grant, issue, or offer to the holders of Shares warrants entitling them to subscribe for or purchase Shares:

5.3.6.1 at a consideration per Share receivable by the Company (determined as provided in Condition 5.3.16) which is fixed on or prior to the record date for the determination of shareholders entitled to receive such warrants and is less than the Current Market Price per Share at such record date; or

5.3.6.2 at a consideration per Share receivable by the Company which is fixed after the record date mentioned above and is less than the Current Market Price per Share on the date the Company fixes the said consideration,

then the Conversion Price in effect (in a case within 5.3.6.1 above) on the record date for the determination of shareholders entitled to receive such warrants or (in a case within 5.3.6.2 above) on the date the Company fixes the said consideration shall be adjusted in accordance with the following formula:

$$NCP = OCP \times [(N + v)/(N + n)]$$

where:

NCP and OCP have the meanings ascribed thereto in Condition 5.3.5.

N = the number of Shares outstanding (having regard to Condition 5.3.17) at the close of business in India (in a case within 5.3.6.1 above) on such record date or (in a case within 5.3.6.1 above) on the date the Company fixes the said consideration.

n = the number of Shares to be issued upon exercise of such warrants at the said consideration which, where no applications by shareholders entitled to such warrants are required, shall be based on the number of warrants issued. Where applications by shareholders entitled to such warrants are required, the number of such Shares shall be calculated based upon (aa) the number of warrants which underwriters have agreed to underwrite as referred to below or, as the case may be, (bb) the number of warrants for which applications are received from shareholders as referred to below save to the extent already adjusted for under (aa).

v = the number of Shares which the aggregate consideration receivable by the Company (determined as provided in Condition 5.3.16) would purchase at such Current Market Price per Share specified in 5.3.6.1 or, as the case may be, 5.3.6.2) above.

Effective date of adjustment: Subject as provided below, such adjustment shall become effective (i) where no applications for such warrants are required from shareholders entitled to the same, upon their issue and (ii) where applications by shareholders entitled to the same are required as aforesaid, immediately after the latest date for the submission of such applications or (if later) immediately after the Company fixes the said consideration but in all cases retroactively to immediately after the record date mentioned above.

Warrants not subscribed for by Shareholders: If, in connection with a grant, issue or offer to the holders of Shares of warrants entitling them to subscribe for or purchase Shares in the circumstances described in Conditions 5.3.6.1 and 5.3.6.2, any warrants which are not subscribed for or purchased by the shareholders entitled thereto are underwritten by others prior to the latest date for the submission of applications for such warrants, an adjustment shall be made to the Conversion Price in accordance with the above provisions which shall become effective immediately after the date the underwriters agree to underwrite the same or (if later) immediately after the Company fixes the said consideration but retroactively to immediately after the record date mentioned above.

If, in connection with a grant, issue or offer to the holders of Shares of warrants entitling them to subscribe for or purchase Shares, any warrants which are not subscribed for or purchased by the underwriters who have agreed to underwrite as referred to above or by the shareholders entitled thereto (or persons to whom shareholders have transferred the right to purchase such warrants) who have submitted applications for such warrants as referred to above are offered to and/or subscribed by others, no further adjustment shall be made to the Conversion Price by reason of such offer and/or subscription.

5.3.7 Issues of rights or warrants for equity related Bonds to Shareholders:

Adjustment: If the Company shall grant, issue, or offer to the holders of Shares rights or warrants entitling them to subscribe for or purchase any Bonds convertible into or exchangeable for Shares:

5.3.7.1 at a consideration per Share receivable by the Company (determined as provided in Condition 5.3.16) which is fixed on or prior to the record date mentioned below and is less than the Current Market Price per Share at such record date; or

5.3.7.2 at a consideration per Share receivable by the Company (determined as aforesaid) which is fixed after the record date mentioned below and is less than the Current Market Price per Share on the date the Company fixes the said consideration,

then the Conversion Price in effect (in a case within 5.3.7.1 above) on the record date for the determination of shareholders entitled to receive such rights or warrants or (in a case within 5.3.7.2 above) on the date the Company fixes the said consideration shall be adjusted in accordance with the following formula:

$$NCP = OCP \times [(N + v)/(N + n)]$$

where:

NCP and OCP have the meanings ascribed thereto in Condition 5.3.5.

N = the number of Shares outstanding (having regard to Condition 5.3.17) at the close of business in India (in a case within 5.3.7.1 above) on such record date or (in a case within 5.3.7.2 above) on the date the Company fixes the said consideration.

n = the number of Shares initially to be issued upon exercise of such rights or warrants and conversion or exchange of such convertible or exchangeable Bonds at the said consideration being, in the case of rights, (aa) the number of Shares initially to be issued upon conversion or exchange of the number of such convertible or exchangeable Bonds which the underwriters have agreed to underwrite as referred to below or, as the case may be, (bb) the number of Shares initially to be issued upon conversion or exchange of the number of such convertible or exchangeable Bonds for which applications are received from shareholders as referred to below save to the extent already adjusted for under (aa) and which, in the case of warrants, where no applications by shareholders entitled to such warrants are required, shall be based on the number of warrants issued. Where applications by shareholders entitled to such warrants are required, the number of such Shares shall be calculated based upon (aa) the number of warrants which underwriters have agreed to underwrite as referred to below or, as the case may be, (bb) the number of warrants for which applications are received from shareholders as referred to below save to the extent already adjusted for under (aa).

v = the number of Shares which the aggregate consideration receivable by the Company (determined as provided in Condition 5.3.16) would purchase at such Current Market Price per Share specified in 5.3.7.1 or, as the case may be, 5.3.7.2 above.

Effective date of adjustment: Subject as provided below, such adjustment shall become effective (a) where no applications for such warrants are required from shareholders entitled to the same, upon their issue and (b) where applications by shareholders entitled to the warrants are required as aforesaid and in the case of convertible or exchangeable Bonds by shareholders entitled to the same pursuant to such rights, immediately after the latest date for the submission of such applications or (if later) immediately after the Company fixes the said consideration; but in all cases retroactively to immediately after the record date mentioned above.

Rights or warrants not taken up by Shareholders: If, in connection with a grant, issue or offer to the holders of Shares of rights or warrants entitling them to subscribe for or purchase Bonds convertible into or exchangeable for Shares in the circumstances described in this Condition 5.3.7, any convertible or exchangeable Bonds or warrants which are not subscribed for or purchased by the shareholders entitled thereto are underwritten by others prior to the latest date for the submission of applications for such convertible or exchangeable Bonds or warrants, an adjustment shall be made to the Conversion Price in accordance with the above provisions which shall become effective immediately after the date the underwriters agree to underwrite the same or (if later) immediately after the Company fixes the said consideration but retroactively to immediately after the record date mentioned above.

If, in connection with a grant, issue or offer to the holders of Shares of rights or warrants entitling them to subscribe for or purchase Bonds convertible into or exchangeable for Shares, any convertible or exchangeable Bonds or warrants which are not subscribed for or purchased by the underwriters who have agreed to underwrite as referred to above or by the shareholders entitled thereto (or persons to whom shareholders have transferred such rights or the right to purchase such warrants) who have submitted applications for such convertible or exchangeable Bonds or warrants as referred to above are offered to and/or subscribed by others, no further adjustment shall be made to the Conversion Price by reason of such offer and/ or subscription.

5.3.8 Other distributions to Shareholders:

Adjustment: If the Company shall distribute to the holders of Shares evidences of its indebtedness, or shares of capital stock of the Company (other than Shares), or assets (including any dividends in cash) or rights or warrants to subscribe for or purchase Shares or Bonds (excluding those rights and warrants referred to in Conditions 5.3.5, 5.3.6 and 5.3.7 above), then the Conversion Price in effect on the record date for the determination of shareholders entitled to receive such distribution shall be adjusted in accordance with the following formula:

$$NCP = OCP \times [(CMP - fmv)/CMP]$$

where:

NCP and OCP have the meanings ascribed thereto in Condition 5.3.5.

CMP = the Current Market Price per Share on the record date for the determination of shareholders entitled to receive such distribution.

fmv = the fair market value (as determined by the Company or, if pursuant to applicable law of India such determination is to be made by application to a court of competent jurisdiction, as determined by such court or by an appraiser appointed by such court) of the portion of the evidences of indebtedness, equity share capital shares of capital stock, assets (including cash), rights or warrants so distributed applicable to one Share less any consideration payable for the same by the relevant Shareholder.

In making a determination of the fair market value of any such evidences of indebtedness, shares of capital stock, assets (other than cash), rights or warrants, the Company shall consult an Independent Financial Institution (as defined herein) and shall take fully into account the advice received from such institution.

Effective date of adjustment: Such adjustment shall become effective immediately after the record date for the determination of shareholders entitled to receive such distribution. Provided that (a) in the case of such a distribution which must, under applicable law of India, be submitted for approval to a general meeting of shareholders or be approved by a meeting of the Board before such distribution may legally be made and is so approved after the record date fixed for the determination of shareholders entitled to receive such distribution, such adjustment shall, immediately upon such approval being given by such meeting, become effective retroactively to immediately after such record date and (b) if the fair market value of the evidences of indebtedness, shares of capital stock, assets, rights or warrants so distributed cannot be determined until after the record date fixed for the determination of shareholders entitled to receive such distribution, such adjustment shall, immediately upon such fair market value being determined, become effective retroactively to immediately after such record date.

5.3.9 Issue of convertible or exchangeable Bonds other than to Shareholders or on exercise of warrants:

Adjustment: If the Company shall issue any Bonds convertible into or exchangeable for Shares (other than the Bonds, or in any of the circumstances described in Conditions 5.3.7 and 5.3.9 or grant such rights in respect of any existing Bonds and the consideration per Share receivable by the Company (determined as provided in Condition 5.3.16) shall be less than the Current Market Price per Share on the date in India on which the Company fixes the said consideration (or, if the issue of such Bonds is subject to approval by a general meeting of shareholders, on the date on which the Board fixes the consideration to be recommended at such meeting), then the Conversion Price in effect immediately prior to the date of issue of such convertible or exchangeable Bonds shall be adjusted in accordance with the following formula:

$$NCP = OCP \times [(N + v)/(N + n)]$$

where:

NCP and OCP have the meanings ascribed thereto in Conditions 5.3.5.

N = the number of Shares outstanding (having regard to Condition 5.3.17) at the close of business in India on the day immediately prior to the date of such issue.

n = the number of Shares to be issued upon conversion or exchange of such convertible or exchangeable Bonds at the initial conversion or exchange price or rate.

v = the number of Shares which the aggregate consideration receivable by the Company would purchase at such Current Market Price per Share.

Effective date of adjustment: Such adjustment shall become effective as of the calendar day in India corresponding to the calendar day at the place of issue on which such convertible or exchangeable Bonds are issued.

5.3.10 Other issues of Shares:

Adjustment: If the Company shall issue any Shares other than Shares issued upon conversion or exchange of any convertible or exchangeable Bonds (including the Bonds) already issued by the Company or upon exercise of any rights or warrants granted, offered or issued by the Company or in any of the circumstances described in Conditions 5.3.1 and 5.3.2 or issued to shareholders of any company which merges with the Company in proportion to their shareholdings in such company immediately prior to such merger, upon such merger but including Shares issued under any employee dividend or profit-sharing arrangements for a consideration per Share receivable by the Company (determined as provided in Condition 5.3.16) less than the Current Market Price per Share on the date in India on which the Company fixes the said consideration (or, if the issue of such Shares is subject to approval by a general meeting of shareholders, on the date on which the Board fixes the

consideration to be recommended at such meeting), then the Conversion Price in effect immediately prior to the issue of such additional Shares shall be adjusted in accordance with the following formula:

$$\text{NCP} = \text{OCP} \times [(N + v)/(N + n)]$$

where:

NCP and OCP have the meanings ascribed thereto in Condition 5.3.5.

N = the number of Shares outstanding (having regard to Condition 5.3.17) at the close of business in India on the day immediately prior to the date of issue of such additional Shares.

n = the number of additional Shares issued as aforesaid.

v = the number of Shares which the aggregate consideration receivable by the Company (determined as provided in Condition 5.3.16) would purchase at such Current Market Price per Share.

Effective date of adjustment: Such adjustment shall become effective as of the calendar day in India of the issue of such additional Shares.

5.3.11 Issue of equity related Bonds:

Adjustment: If the Company shall grant, issue or offer options, warrants or rights (excluding those rights and warrants referred to in Conditions 5.3.5 to 5.3.7) to subscribe for or purchase Shares or Bonds convertible into or exchangeable for Shares and the consideration per Share receivable by the Company (determined as provided in Condition 5.3.16) shall be less than the Current Market Price per Share on the date in India on which the Company fixes the said consideration (or, if the offer, grant or issue of such rights, options or warrants is subject to approval by a general meeting of shareholders, on the date on which the Board fixes the consideration to be recommended at such meeting), then the Conversion Price in effect immediately prior to the date of the offer, grant or issue of such rights, options or warrants shall be adjusted in accordance with the following formula:

$$\text{NCP} = \text{OCP} \times [(N + v)/(N + n)]$$

where:

NCP and OCP have the meanings ascribed thereto in Condition 5.3.5

N = the number of Shares outstanding (having regard to Condition 5.3.16) at the close of business in India on the day immediately prior to the date of such issue.

n = the number of Shares to be issued on exercise of such rights or warrants and (if applicable) conversion or exchange of such convertible or exchangeable Bonds at the said consideration.

v = the number of Shares which the aggregate consideration receivable by the Company (determined as provided in Condition 5.3.16) would purchase at such Current Market Price per Share.

Effective date of adjustment: Such adjustment shall become effective as of the calendar day in India corresponding to the calendar day at the place of issue on which such rights or warrants are issued.

5.3.12 Tender or Exchange Offer:

In case a tender or exchange offer made by the Company or any subsidiary of the Company for all or any portion of the Shares shall expire and such tender or exchange offer shall involve the payment by the Company or such subsidiary of consideration per Share having a Fair Market Value (as determined by the Board, whose determination shall, if made in good faith, be conclusive) at the last time (the "Expiration Date") tenders or exchanges could have been made pursuant to such tender or exchange offer (as it shall have been amended) that exceeds the Current Market Price per Share, as of the Expiration Date, the Conversion Price shall be adjusted in accordance with the following formula:

$$\text{NCP} = \text{OCP} \times [(N \times M) / a + [(N - n) \times M]]$$

where:

NCP and OCP have the meanings ascribed thereto in Condition 5.3.5 above.

N = the number of Shares outstanding (including any tendered or exchanged Shares) on the Expiration Date.

M = Current Market Price per Share as of the Expiration Date.

a = the Fair Market Value of the aggregate consideration payable to the holders of Shares based on the acceptance (up to a maximum specified in terms of the tender or exchange offer) of all Shares validly tendered or exchanged and not withdrawn as of the Expiration Date (the Shares deemed so accepted up to any such maximum, being referred to as the “Purchased Shares”).

n = the number of Purchased Shares.

Such reduction to become retroactively effective immediately prior to the opening of business on the day following the Expiration Date.

If the Company is obligated to purchase Shares pursuant to any such tender or exchange offer, but the Company is permanently prevented by applicable law from effecting any such purchase or all such purchases are rescinded, the Conversion Price shall again be adjusted to be the Conversion Price which would then be in effect if such tender or exchange offer had not been made.

“Fair Market Value” means the price that could be negotiated in an arm’s length free market transaction for cash between a willing buyer and a willing seller neither of which is under pressure or compulsion to complete the transaction.

5.3.13 Analogous events and modifications:

If (a) the rights of conversion or exchange, purchase or subscription attaching to any options, rights or warrants to subscribe for or purchase Shares or any Bonds convertible into or exchangeable for, or which carry rights to subscribe for or purchase shares are modified (other than pursuant to and as provided in the terms and conditions of such options, rights, warrants or Bonds) or (b) the Company determines that any other event or circumstance has occurred which has or would have an effect on the position of the Bondholders as a class compared with the position of the holders of all the Bonds (and options and rights relating thereto) of the Company, taken as a class which is analogous to any of the events referred to in Conditions 5.3.1 to 5.3.12, then, in any such case, the Company shall promptly notify the Trustee thereof in writing and consult with an Independent Financial Institution, not being a shareholder or Bondholder as to what adjustment, if any, should be made to the Conversion Price to preserve the value of the Conversion Right of Bondholders and will make any such adjustment.

5.3.14 Simultaneous issues of different classes of Shares:

In the event of simultaneous issues of two or more classes of share capital comprising Shares or rights or warrants in respect of, or Bonds convertible into or exchangeable for, two or more classes of share capital comprising Shares, then, for the purposes of this Condition, the formula:

$$NCP = OCP \times [(N + v)/(N + n)]$$

shall be restated as:

$$NCP = OCP \times [(N + v1 + v2 + v3)/(N + n1 + n2 + n3)]$$

where v1 and n1 shall have the same meanings as “v” and “n” but by reference to one class of Shares, v2 and n2 shall have the same meanings as “v” and “n” but by reference to a second class of Shares, v3 and n3 shall have the same meanings as “v” and “n” but by reference to a third class of Shares and so on.

5.3.15 Current Market Price per Share:

For the purposes of these Conditions, the “Current Market Price” per Share on any date means the lower of:

- i) the Conversion Price prevailing on such date plus the premium so determined so as to give a YTM of 5.32% till such date on the Conversion Price prevailing on such date; or

- ii) the average of the daily closing prices (as defined below) of the relevant Shares for the 30 consecutive Trading Days (as defined below) before such date.

If the Company has more than one class of share capital comprising Shares, then the relevant Current Market Price for Shares shall be the price for that class of Shares the issue of which (or of rights or warrants in respect of, or Bonds convertible into or exchangeable for, that class of Shares) gives rise to the adjustment in question.

If during the said 30 Trading Days or any period thereafter up to but excluding the date as of which the adjustment of the Conversion Price in question shall be effected, any event (other than the event which requires the adjustment in question) shall occur which gives rise to a separate adjustment to the Conversion Price under the provisions of these Conditions, then the Current Market Price as determined above shall be adjusted in such manner and to such extent as an Independent Financial Institution shall in its absolute discretion deem appropriate and fair to compensate for the effect thereof.

For the purposes of these Conditions:

the “Closing Price” of the Shares for each Trading Day shall be the last reported transaction price of the Shares on the BSE for such day or, if no transaction takes place on such day, the average of the closing bid and offered prices of Shares for such day as furnished by a leading independent Bonds firm licensed to trade on the BSE selected from time to time by the Company and notified to the Trustee in writing for the purpose; and

“Trading Day” means any day of the week during which the BSE is open for business, but does not include a day when (a) no such last transaction price or closing bid and offered prices is/are reported and (b) (if the Shares are not listed or admitted to trading on such exchange) no such closing bid and offered prices are furnished as aforesaid. If the Shares are no longer listed on the BSE and have been listed on another stock exchange as required by Condition 12.4, references in the above definitions to the BSE will be taken as references to that stock exchange.

5.3.16 Consideration receivable by the Company:

For the purposes of any calculation of the consideration receivable by the Company pursuant to Conditions 5.3.5 to 5.3.7 and 5.3.9 to 5.3.11 and 5.3.14 above, the following provisions shall be applicable:

- 5.3.16.1 in the case of the issue of Shares for cash, the consideration shall be the amount of such cash, provided that in no such case shall any deduction be made for any commissions or any expenses paid or incurred by the Company for any underwriting of the issue or otherwise in connection therewith;
- 5.3.16.2 in the case of the issue of Shares for a consideration in whole or in part other than cash, the consideration other than cash shall be deemed to be the fair value thereof as determined by the Company (and in making such determination the Company shall consult an Independent Financial Institution and shall take fully into account the advice received from institution) or, if pursuant to applicable law of India such determination is to be made by application to a court of competent jurisdiction, as determined by such court or an appraiser appointed by such court, irrespective of the accounting treatment thereof;
- 5.3.16.3 in the case of the issue (whether initially or upon the exercise of rights or warrants) of Bonds convertible into or exchangeable for Shares, the aggregate consideration receivable by the Company shall be deemed to be the consideration received by the Company for such Bonds and (if applicable) rights or warrants plus the additional consideration (if any) to be received by the Company upon (and assuming) the conversion or exchange of such Bonds at the initial conversion or exchange price or rate and (if applicable) the exercise of such rights or warrants at the initial subscription or purchase price (the consideration in each case to be determined in the same manner as provided in this Condition 5.3.16) and the consideration per Share receivable by the Company shall be such aggregate consideration divided by the number of Shares to be issued upon (and assuming) such conversion or exchange at the initial conversion or exchange price or rate and (if applicable) the exercise of such rights or warrants at the initial subscription or purchase price;
- 5.3.16.4 in the case of the issue of rights or warrants to subscribe for or purchase Shares, the aggregate consideration receivable by the Company shall be deemed to be the consideration received by the Company for any such rights or warrants plus the additional consideration to be received by the Company upon (and assuming) the exercise of such rights or warrants at the initial subscription or purchase price (the consideration in each case to be determined in the same manner as provided in this Condition 5.3.16) and the consideration per Share receivable by the Company shall be such

aggregate consideration divided by the number of Shares to be issued upon (and assuming) the exercise of such rights or warrants at the initial subscription or purchase price;

5.3.16.5 if any of the consideration referred to in any of the preceding paragraphs of this Condition 5.3.16 is receivable in a currency other than Rupees, such consideration shall (in any case where there is a fixed rate of exchange between Rupees and the relevant currency for the purposes of the issue of the Shares, the conversion or exchange of such Bonds or the exercise of such rights or warrants) be translated into Rupees for the purposes of this Condition 5.3.16 at such fixed rate of exchange and shall (in all other cases) be translated into Rupees at the mean of the exchange rate quotations (being quotations for the cross rate through US dollars if no direct rate is quoted) by a leading bank in India for buying and selling spot units of the relevant currency by telegraphic transfer against Rupees on the date as of which the said consideration is required to be calculated as aforesaid; and

5.3.16.6 in the case of the issue of Shares (including, without limitation, to employees under any employee bonus or profit sharing arrangements) credited as fully paid out of retained earnings or capitalisation of reserves at their par value, the aggregate consideration receivable by the Company shall be deemed to be zero (and accordingly the number of Shares which such aggregate consideration receivable by the Company could purchase at the relevant Current Market Price per Share shall also be deemed to be zero).

5.3.17 Cumulative adjustments:

If, at the time of computing an adjustment (the “**later adjustment**”) of the Conversion Price, the Conversion Price already incorporates an adjustment made (or taken or to be taken into account pursuant to the proviso to Condition 5.3.18) to reflect an issue of Shares or of Bonds convertible into or exchangeable for Shares or of rights or warrants to subscribe for or purchase Shares or Bonds, to the extent that the number of such Shares or Bonds taken into account for the purposes of calculating such adjustment exceeds the number of such Shares in issue at the time relevant for ascertaining the number of outstanding Shares for the purposes of computing the later adjustment, such excess Shares shall be deemed to be outstanding for the purposes of making such computation.

5.3.18 Minor adjustments:

No adjustment of the Conversion Price shall be required if the adjustment would be less than 1% of the Conversion Price then in effect; provided that any adjustment which by reason of this Condition 5.3.18 is not required to be made shall be carried forward and taken into account (as if such adjustment had been made at the time when it would have been made but for the provisions of this Condition 5.3.18) in any subsequent adjustment. All calculations under this Condition 5.3.18 shall be made to the nearest Rs.1. Except as otherwise set out in Condition 5.3.19, the Conversion Price may be reduced at any time by the Company.

5.3.19 Minimum Conversion Price:

Notwithstanding the provisions of this Condition, the Company covenants that Conversion Price shall not be reduced below the par value of the Shares (Rs.1 at the date hereof) as a result of any adjustment made hereunder unless under applicable law then in effect the Bonds may be converted at such reduced Conversion Price into legally issued, fully-paid and non-assessable Shares.

5.3.20 Employee share scheme:

No adjustment shall be required to the Conversion Price where Shares or other Bonds or options, rights or warrants for shares or other Bonds, are issued, offered, allotted, appropriated, modified or granted to employees (including directors) or former employees of the Company or persons related to such employees (including directors) or former employees, directly or indirectly, pursuant to any employee share scheme generally or as required by law.

5.3.21 Reference to fixed:

Any references herein to the date on which a consideration is “fixed” shall, where the consideration is originally expressed by reference to a formula which cannot be expressed as an actual cash amount until a later date, be construed as a reference to the first day on which such actual cash amount can be ascertained.

5.3.22 Whenever the Conversion Price is adjusted as herein provided the Company shall compute the adjusted Conversion Price in accordance with Condition 5.3 and shall prepare a certificate signed by two directors of the

Company setting forth the Conversion Price before adjustment, the adjusted Conversion Price including reference to which provision in Condition 5.3 has been triggered, the effective date of such adjustment and certifying that such adjustment is permitted under the prevailing applicable Indian laws and regulations and showing in reasonable detail the facts upon which such adjustment is based, and such certificate shall forthwith be delivered to the Trustee and the Agents and will be notified to Bondholders at least ten Business Days in advance of the effective date of such adjustment.

5.3.23 Trustee and Agents not obliged to monitor:

The Trustee and the Agents shall not be under any duty to monitor whether any event or circumstance has happened or exists within this Condition 5 and shall assume no such event has occurred until it has express written notice from the Company of such event and will not be responsible to the Bondholders or any other person for any loss arising from any such assumption or any failure by it to monitor.

The Initial Conversion Price will be subject to adjustment in accordance with the provisions of this Condition 5.3. If the Company fails to notify the Agents of the Conversion Price or any adjustments to it in accordance with Condition 5.3.22, the Principal Paying and Conversion Agent shall have no duty to apply the adjusted Conversion Price or to convert the Bonds and shall not be liable to any person for such failure to do so. If the Company fails to notify the Trustee of the Conversion Price or any adjustments to it in accordance with Condition 5.3.22, the Trustee shall have no liability to any person for any of its actions or omissions under this Condition 5.

5.3.24 No adjustment for conversion of the Bonds:

No adjustment of the Conversion Price shall be required as a result of the conversion of any of the Bonds.

5.3.25 Trustee, Agents and Lead Manager Not Liable

None of the Trustee, the Agents and the lead manager appointed by the Company for the purpose of issuance of the Bonds (the "Lead Manager") shall be responsible for any failure of the Company to make such payment or to issue, transfer or deliver any Shares or other Bonds or property upon the surrender of any Bond for conversion and none of the Trustee, the Agents and the Lead Manager shall be responsible for or liable to any Bondholder or any other person for any failure of the Company to comply with any of the Company's covenants in relation to conversion or any of the Company's actions or omissions under this Condition 5.

Neither the Trustee nor any of the Agents shall be responsible or liable to the Bondholders or any other person for the selection of any Independent Financial Institution made by the Company or for any acts, decisions, or omissions of the Company as a result of any determination, calculation or advice provided by such Independent Financial Institution.

5.3.26 **Independent Financial Institution**

For the purposes of these Conditions, "**Independent Financial Institution**" means an independent investment company or a commercial bank or a chartered accountant firm of international repute in either case, not being a shareholder or a Bondholder and selected by the Company and notified in writing to the Trustee. All costs, charges, liabilities, and expenses incurred in connection with the appointment, retention, consultation, and remuneration of any Independent Financial Institution appointed under these Conditions shall be borne by the Company.

5.3.27 Whenever the Conversion Price is adjusted in accordance with Condition 5.3, the Company, so long as the Bonds are listed on the AFRINEX, Mauritius and the rules of the AFRINEX Securities List so require, will also publish a notice via website of the AFRINEX, Mauritius of such adjustment to the Conversion Price at least ten Business Days in advance of the effective date of such adjustment.

5.4 **Procedure for Conversion**

5.4.1 A Conversion Right may be exercised by a Bondholder delivering at its own expense the relevant Certificate, if applicable, to the specified office of any of the Conversion Agents between 9:00 am and 3:00 p.m. (local time on any business day in such place) during the Conversion Period, accompanied by a duly completed and signed notice of conversion (a "Conversion Notice") in duplicate and in the form (for the time being) obtainable from the specified office of any of the Agents together with the representation by the Bondholder, in the Conversion Notice, that it is not a U.S. person or located in the United States (within the meaning of Regulation S under the Securities Act of 1933 of the United States, as amended) and any certificates and other documents as may be required under the laws of the Republic of India and the jurisdiction in which the specified office of such

Conversion Agent is located. The Conversion Agent may reject any incomplete or incorrect Conversion Notice or any Conversion Notice that is not accompanied by any relevant Certificates in respect thereof.

Conversion Rights shall be exercised subject in each case to any applicable fiscal or other laws or regulations applicable in the jurisdiction in which the specified office of the relevant Conversion Agent to which the relevant Conversion Notice is delivered is located. A Conversion Notice deposited outside the hours specified above or on a day which is not a business day at the place of the specified office of the relevant Conversion Agent shall for all purposes be deemed to have been deposited with that Conversion Agent between 9:00 a.m. and 3:00 p.m. local time on the next business day. Bondholders that deposit a Conversion Notice during a Closed Period will not be permitted to convert their Bonds into Shares until the next business day following the last day of that Closed Period, which (if all other conditions to conversion have been fulfilled) will be the Conversion Date for such Bonds. The price at which such Bonds will be converted will be the Conversion Price in effect on such Conversion Date.

- 5.4.2 The conversion date in respect of a Bond (the "Conversion Date") shall be the Business Day immediately following the date of receipt of a Conversion Notice and other applicable documents. A Conversion Notice once delivered shall be irrevocable and cannot be withdrawn and the relevant Bond the subject of such Conversion Notice shall be cancelled by the Principal Paying and Conversion Agent on the Conversion Date in accordance with the Agency Agreement.
- 5.4.3 A Bondholder delivering a Conversion Notice must pay any taxes and capital, stamp, issue and registration duties arising on conversion (other than any taxes or capital duties or stamp duties payable by the Company in respect of the allotment and issue of Shares on conversion) and such Bondholder shall pay all, if any, taxes arising by reference to any disposal of a Bond in connection with such conversion. The Company will pay all other expenses arising on the issue of Shares on conversion of the Bonds and all charges of the Agents and the share transfer agent for the Shares in connection with conversion.
- 5.4.4 Any Bondholder exercising the Conversion Right must provide the relevant Conversion Agent and the Company with the certificate of payment of the relevant tax authorities or certify to the Principal Paying and Conversion Agent in the Conversion Notice that such Bondholder has paid or will pay taxes to the relevant authorities. None of the Trustee nor any of the Conversion Agents shall be under any obligation to determine whether a Bondholder or the Company is liable to make any payment (and the amount of any such payment) under Condition 5.4.3 and shall not be liable for any failure by any Bondholder or the Company to make such payment to the relevant tax authorities. None of the Trustee nor any of the Agents shall be concerned with, nor shall any of them be obliged or required to enquire into the sufficiency of any amount paid for this purpose. Furthermore, the Conversion Agent will be relying on the documents provided by the Bondholder in relation to taxation liability and the issuance of Shares on conversion of the Bonds is not a confirmation by the Conversion Agent that any taxation liability has been met and will have no liability whatsoever if the documents were later found to be insufficient.
- 5.4.5 Upon successful exercise by a Bondholder of its Conversion Right pursuant to this Condition 5, the Company will, on or with effect from the relevant Conversion Date, enter the relevant Bondholder or his/their nominee in the register of members of the Company in respect of such number of shares to be issued upon conversion (notwithstanding any retroactive adjustment of the Conversion Price referred to below prior to the time it takes effect) and will as soon as practicable, and in any event within 35 Business Days of the Conversion Date, cause the relevant Bonds account of the Bondholder exercising his Conversion Right for Shares or of his/their nominee, to be credited with such number of relevant shares to be issued upon conversion (notwithstanding any retroactive adjustment of the conversion price referred to below prior to the time it takes effect) and shall further cause the name of concerned Bondholder or its nominee to be registered accordingly, in the record of the depositors, maintained by a depository registered under the 1996 Depositories Act with whom the Company has entered into a depository agreement and subject to any applicable limitations then imposed by Indian law and regulations, shall procure the share transfer agent to, as soon as practicable, and in any event within 35 Business Days of the Conversion Date, despatch or cause to be dispatched to the order of the person named for the purpose in the relevant Conversion Notice at the place and in the manner specified in the relevant Conversion Notice (uninsured and the risk of delivery at any such place being that of the converting Bondholder), in respect of any conversion and such assignments, the documents (if any) as required by law to affect the transfer thereof.

The crediting of the shares to the relevant Bonds account of the converting Bondholder will be deemed to satisfy the Company's obligation to pay the principal and premium (if any) on the Bonds.

Notwithstanding the Conversion Right for each Bondholder in respect of each Bond, if the Company is unable to convert the Bonds into Shares within 35 Business Days after receiving the Conversion Notice, the Company shall have the option to pay to the relevant Bondholder an amount of cash in U.S. dollars equal to the Cash Settlement Amount (as defined below) in order to satisfy such Conversion Right in full or in part (in which case

the other part shall be satisfied by the delivery of Shares) (the "Cash Settlement Option"). In order to exercise the Cash Settlement Option, the Company shall give written notice of the exercise of the Cash Settlement Option (the "Cash Settlement Notice") to the relevant Bondholder (with a copy to the Trustee and the Principal Paying and Conversion Agent) as soon as practicable but no later than the 34th Business Day after receiving the Conversion Notice (the "Cash Settlement Notice Date"). The Cash Settlement Notice must specify the number of Shares in respect of which the Company will make a cash payment in the manner described in this Condition 5.4.5. The Company shall pay the Cash Settlement Amount along with any other amounts payable by it within [nine] Trading Days directly to the Bondholders following the Cash Settlement Notice Date and shall prompt notify the Trustee and the Principal Paying and Conversion Agent that such payment has been made. If the Company exercises its Cash Settlement Option in respect of Bonds held by more than one Bondholder which are to be converted on the same Conversion Date, the Company shall make the same proportion of cash and Shares available to such converting Bondholders.

"Cash Settlement Amount" means, in respect of the Bonds submitted for conversion by the relevant Bondholder, the US dollar amount equal to the aggregate of (i) the principal amount of such Bonds and (ii) 12 per cent per annum of the principal amount of such Bonds commencing from (and including) the date of the Conversion Notice to (but excluding) the date of payment of the Cash Settlement Amount.

As soon as practicable on or after the relevant Conversion Date, and in any event not later than 35 Business Days following the relevant Conversion Date, the Shares deliverable on conversion of the relevant Bonds shall be allotted by the Company to the Bondholder (or its nominee). The Company shall deliver to the Bondholder a letter certifying such allotment and, pursuant to the provisions of the Agency Agreement, provide confirmation of the allotment of Shares to the Principal Paying and Conversion Agent. With effect from the relevant Conversion Date the Company shall treat the Bondholder (or its nominee) as the holder of relevant number of Shares, which the exercising Bondholder is entitled upon conversion of the relevant Bonds. Immediately after each Conversion Date the Company will ensure that all necessary steps are taken for the due issue of the Shares issuable on conversion of the relevant Bonds. As soon as practicable on or after the relevant Conversion Date and in any event, not later than 35 Business Days after the Conversion Date, the Company will register the Bondholder or its nominee as holder(s) of the relevant number of Shares to be issued on conversion in the Company's share register with effect from the Conversion Date and notify in writing to the Conversion Agent of the said conversion.

If the Conversion Date in relation to any Bond is on or after a date from which an adjustment to the Conversion Price takes retroactive effect pursuant to any of the provisions referred to in Condition 5.3 and the relevant Conversion Date falls on a date when the relevant adjustment has not yet been reflected in the then current Conversion Price, the Company will use its best endeavors to procure that the provisions of this Condition 5.4.5 shall be applied, with appropriate alterations, to such number of Shares ("Additional Shares") as is equal to the excess number of Shares which would have been required to be issued on conversion of such Bond if the relevant retroactive adjustment had been made as at the said Conversion Date and in such event and in respect of such Additional Shares references in this Condition 5.4.5 to the Conversion Date shall be deemed to refer to the date upon which such retroactive adjustment becomes effective (notwithstanding that the date upon which it becomes effective falls after the end of the Conversion Period).

5.4.6 Entitlements

The Shares issued upon conversion of the Bonds will in all respects, subject to listing, rank *pari passu* with the Shares in issue on the relevant Conversion Date (except for any right excluded by mandatory provisions of applicable law) and such Shares shall be entitled to all rights, the record date for which falls on or after such Conversion Date to the same extent as all other fully paid-up shares of the Company in issue as if such Shares had been in issue throughout the period to which such rights relate. A holder of Shares issued on conversion of the Bonds shall not be entitled to any rights the record date for which precedes the relevant Conversion Date.

Shares allotted on conversion will be fully paid and will rank *pari passu* in all respects with the fully paid Shares in issue on the Conversion Date (except for any right excluded by mandatory provisions of law), except that the Shares so allotted will not rank for any dividend or other distribution declared or paid or made by reference to a record date for the payment of a dividend or other distribution with respect to the Shares prior to such Conversion Date.

5.5 Purchase by Company of its own Shares

The Articles of Association, subject to the provisions of the Companies Act, contains authority for the Company to exercise such rights as it may from time to time enjoy to purchase its own Shares without the consent of the Bondholders provided that any such purchase shall have been duly authorised by the Shareholders and is subject

to compliance with applicable law.

5.6 Mergers

No consolidation, amalgamation or merger of the Company with any other corporation (other than a consolidation, amalgamation or merger in which the Company is the continuing corporation), or sale or transfer of all, or substantially all, of the assets of the Company shall take place unless the Company shall have notified the Bondholders, the Trustee and the Agents of such event in accordance with Condition 19 and the Company and such corporation, entity or person shall have executed a trust deed supplemental to the Trust Deed (in form and substance satisfactory to the Trustee) whereby such corporation, entity or person assumes the obligations of the Company under the Trust Deed, the Agency Agreement and the Bonds and to ensure that the holder of each Bond then outstanding will have the right (during the period when such Bond shall be convertible) to convert such Bond into the class and amount of shares, cash and other Bonds and property receivable upon such consolidation, amalgamation, merger, sale or transfer by a holder of the number of Shares which would have become liable to be issued upon conversion of such Bond immediately prior to such consolidation, amalgamation, merger, sale or transfer. Such supplemental trust deed will provide for adjustments which will be as nearly equivalent as may be practicable to the adjustments provided for in the foregoing provisions of this Condition 5. The Trustee shall be entitled to require from the Company such opinions, consents, documents, and other matters at the expense of the Company in connection with the foregoing as it may consider appropriate. Immediately after giving effect to any such merger, no Event of Default (as defined herein) shall have occurred or be continuing or would result therefrom. The corporation formed by such merger, or the person that acquired such properties and assets, shall expressly agree, among other things, to indemnify each holder of a Bond against any tax, assessment, or governmental charge payable by withholding or deduction thereafter imposed on such holder solely as a consequence of such merger with respect to the payment of principal and premium (if any) on the Bonds.

Such supplemental trust deed shall provide for adjustments which will be as nearly equivalent as may be practicable to the adjustments provided for in the foregoing provisions of Condition 5, except that if the Company is the surviving entity, no supplemental trust deed will need to be executed.

The above provisions of this Condition 5.6 will apply in the same way to any subsequent consolidations, amalgamations, mergers, sales, or transfers.

6 Cancellation

All Bonds redeemed or converted or purchased by the Company pursuant to any of the provisions herein will be cancelled forthwith and may not be reissued or resold and will not be deemed to be outstanding for any of the purposes contained herein. Certificates in respect of all Bonds cancelled will be forwarded to or to the order of the Registrar.

7 Redemption and Repurchase

7.1 Maturity

Unless previously redeemed, converted, or purchased and cancelled as provided herein the Company will redeem each bond at 100% of its principal amount to such date on [10th December 2025] (the "Maturity Date") by way of allotment of equivalent number of underlying shares at floor price.

7.2 Redemption for Taxation Reasons

At any time the Company may, having given not less than 30 nor more than 60 days' notice to the Bondholders, the Trustee and the Agents (which notice shall be irrevocable), redeem all but not some of the Bonds at their Early Redemption Amount and all amounts due pursuant to Condition 9 on the date fixed for redemption, if (i) the Company provides the Trustee with an opinion of an independent legal or tax advisors of recognised international standing immediately prior to the giving of such notice that the Company has or will become obliged to pay additional amounts as provided or referred to in Condition 9 as a result of any change in, or amendment to, the laws or regulations of (1) India or any political subdivision or any authority thereof or therein having power to tax, (2) any jurisdiction from or through which any payment on the Bonds is made, or any political subdivision or authority thereof or therein having the power to tax, or (3) any other jurisdiction in which the Company or any other entity obligated to make any payment on the Bonds is organised or engaged in business for tax purposes or otherwise considered to be resident for tax purposes, or any political subdivision or authority thereof or therein having the power to tax (each of clause (1), (2) and (3) a "Relevant Taxing Jurisdiction"), or any change in the general application or official interpretation of such laws or regulations, which change or

amendment becomes effective on or after the Closing Date, and (ii) such obligation cannot be avoided by the Company taking reasonable measures available to it including, without limitation, changing the jurisdiction from which or through which payments are made, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Company would be obliged to pay such additional amounts were a payment in respect of the Bonds then due and unless at the time such notice is given, such obligation to pay the additional amounts remains in effect. Prior to the giving of any notice of redemption pursuant to this paragraph, the Company shall deliver to the Trustee (a) a certificate signed by two directors of the Company stating that the obligation referred to in (i) above cannot be avoided by the Company taking reasonable measures available to it and; (b) an opinion of an independent legal or tax advisors of recognised international standing to the effect that such charge or amendment has occurred (irrespective of whether such amendment or charge is then effective) and the Trustee shall accept and rely, without further enquiry on such certificate and opinion whether such certificate or opinion is sufficient and conclusive evidence of the satisfaction of the condition precedent set out in (ii) above in which event it shall be conclusive and binding on the Bondholders and the Trustee will not be liable to the Bondholders on accepting the opinion and certificate provided to it by the Company nor any of its actions or omissions undertaken pursuant to this Condition 7.2

Upon expiry of such notice, the Company would be liable to redeem the Bonds at the Early Redemption Amount and all amounts due pursuant to Condition 9 on the date fixed for redemption

Under regulations of the RBI applicable to convertible bonds, the Company will require the prior approval of the RBI before providing notice for or effecting such redemption prior to the Maturity Date. Such approval may or may not be forthcoming.

7.3 Issuer Clean-up Call

At any time the Company may, having given not less than 60 days' notice to the Bondholders (which notice shall be irrevocable), redeem all but not some of the Bonds at their Early Redemption Amount and all amounts due pursuant to Condition 9 on the date fixed for redemption, if outstanding Bonds fall below 10% of the principal amount of the Bonds originally issued.

Under regulations of the RBI applicable to convertible bonds, the Company will require the prior approval of the RBI before providing notice for or effecting such redemption prior to the Maturity Date. Such approval may or may not be forthcoming.

7.4 Repurchase of Bonds in the Event of Delisting

To the extent permitted by applicable law, unless the Bonds have been previously redeemed, repurchased and cancelled or converted, in the event that the Shares cease to be listed or admitted to trading on the BSE and the NSE (a "Delisting"), the Company shall, within 10 Business Days after the Delisting, notify the Bondholders, the Trustee and the Agents of such Delisting, and each Bondholder shall have the right (the "Delisting Repurchase Right"), at such Bondholder's option, to require the Company to repurchase all (or any portion of the principal amount thereof which is US\$100,000 or any integral multiples thereof) of such Bondholder's Bonds at a price equal to the Early Redemption Amount and all amounts due pursuant to Condition 9 (the "Delisting Repurchase Price") on the date set by the Company for such repurchase (the "Delisting Repurchase Date"), which shall be not less than 30 days nor more than 60 days following the date on which the Company notifies the Bondholders of the Delisting.

Under regulations of the RBI applicable to convertible bonds, the Company will require the prior approval of the RBI before providing notice for or effecting such redemption prior to the Maturity Date. Such approval may or may not be forthcoming.

7.5 Repurchase of Bonds in the Event of Change of Control

To the extent permitted by applicable law, if a Change of Control, as defined below, occurs with respect to the Company, each Bondholder shall have the right (the "Change of Control Repurchase Right"), at such Bondholder's option, to require the Company to repurchase all (or any portion of the principal amount thereof which is US\$100,000 or any integral multiples thereof) of such Bondholder's Bonds on the date set by the Company for such repurchase (the "Change of Control Repurchase Date"), which shall be not less than 30 days nor more than 60 days following the date on which the Company notifies the Bondholders, the Trustee and the Agents of the Change of Control, which notice shall be delivered not later than 10 Business Days after the Company becomes aware of a Change of Control, at a price equal to the Early Redemption Amount and all amounts due pursuant to Condition 9 (the "Change of Control Repurchase Price").

In this Condition:

The term “Control” means the right to appoint and/or remove all or the majority of the members of the Board or other governing body of the Company, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise.

A “Change of Control” occurs when:

- (1) any person or persons (as defined below) acting together acquires Control of the Company if such person or persons does not or do not have, and would not be deemed to have, Control of the Company on the Closing Date;
- (2) the Company consolidates with or merges into or sells or transfers all or substantially all of the Company’s assets to any other person, unless the consolidation, merger, sale, or transfer will not result in the other person or persons acquiring Control over the Company or the successor entity; or
- (3) one or more other persons acting together acquire the legal or beneficial ownership of more than 50% of the Company’s Voting Stock.

However, a Change of Control will not be deemed to have occurred solely as a result of the issuance or transfer, with the Company’s co-operation, of any preferred shares in the Company’s capital.

For the purposes of the Change of Control Repurchase Right, a “person” includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state, or agency of a state, in each case whether or not being a separate legal entity. A “person” does not include the Board or any other governing board and does not include the Company’s Subsidiaries or affiliates.

For the purposes of this Condition 7.5:

“Voting Stock” means any class or classes of Capital Stock pursuant to which the holders thereof have the general voting power under ordinary circumstances to elect members of the board of directors, managers, or trustees of any person (irrespective of whether or not, at the time, stock of any other class or classes shall have, or might have voting power by reason of the happening of any contingency).

“Capital Stock” means, with respect to any person, any and all shares, ownership interests, participation, or other equivalents (however designated), including all common or ordinary stock and all preferred stock, of such person.

Under regulations of the RBI applicable to convertible bonds, the Company will require the prior approval of the RBI before providing notice for or effecting such redemption prior to the Maturity Date. Such approval may or may not be forthcoming.

7.6 Repurchase of Bonds in the Event of Non-Permitted Conversion Price Adjustment

To the extent permitted by applicable law, unless the Bonds have been previously redeemed, repurchased, cancelled or converted, in the event that an event triggering an adjustment to the Conversion Price occurs and the Company is unable to provide the Trustee with a Price Adjustment Opinion as set forth in Condition 3.2 (a “Non-Permitted Conversion Price Adjustment Event”), prior to occurrence of an event triggering an adjustment to Conversion Price, the Company shall, within 10 Business Days after the occurrence of the relevant event triggering such adjustment, notify the Bondholders, the Agents and the Trustee of such Non-Permitted Conversion Price Adjustment Event, and each Bondholder shall have the right (the “Non-Permitted Conversion Price Adjustment Event Repurchase Right”), at such Bondholder’s option, to require the Company to repurchase all (or any portion of the principal amount thereof which is USD [] or any integral multiples thereof) of such Bondholder’s Bonds at a price equal to their Early Redemption Amount and all amounts due pursuant to Condition 9 (the “Non-Permitted Conversion Price Adjustment Event Repurchase Price”), on the date set by the Company for such repurchase (the “Non-Permitted Conversion Price Adjustment Event Repurchase Date”), which shall be not less than 30 days nor more than 60 days following the date on which the Company notifies the Bondholders of the Non-Permitted Conversion Price Adjustment.

Under regulations of the RBI applicable to convertible bonds, the Company will require the prior approval of the RBI before providing notice for or effecting such redemption prior to the Maturity Date. Such approval may or may not be forthcoming.

Applicable Indian regulations stipulating minimum pricing for issues of convertible bonds currently in effect have set a floor price of Rs.13.81 per share for this issue of Bonds as at the date of issue.

7.7 Repurchase Procedures

Promptly after becoming aware of, and in any event within 10 Business Days after a Delisting or a Change of Control or Non-Permitted Conversion Price Adjustment Event, the Company will deliver to each Bondholder a notice regarding such Delisting Repurchase Right or Change of Control Repurchase Right, as the case may be, which notice shall state, as appropriate:

- a) *the Delisting Repurchase Date or the Change of Control Repurchase Date or Non-Permitted Conversion Price Adjustment Event Repurchase Date, as the case may be (each, a “Purchase Date”);*
- b) *in the case of a Delisting, the date of such Delisting and, briefly, the events causing such Delisting;*
- c) *in the case of a Change of Control, the date of such Change of Control and, briefly, the events causing such Change of Control;*
- d) *in the case of Non-Permitted Conversion Price Adjustment Event, the date of such Non-Permitted Conversion Price Adjustment Event and, briefly, the events causing such Non-Permitted Conversion Price Adjustment Event;*
- e) *the date by which the Bondholder Purchase Notice must be given;*
- f) *the Delisting Repurchase Price or the Change of Control Repurchase Price or Non-Permitted Conversion Price Adjustment Event Repurchase Price, as the case may be, and the method by which such amount will be paid;*
- g) *the names and addresses of all Paying Agents;*
- h) *the current Conversion Price;*
- i) *the procedures that Bondholders must follow and the requirements that Bondholders must satisfy in order to exercise the Delisting Repurchase Right or Change of Control Repurchase Right or Non-Permitted Conversion Price Adjustment Event Repurchase Right, as the case may be, or the Conversion Right; and*
- j) *that a Bondholder Purchase Notice, once validly given, may not be withdrawn.*

To exercise its right to require the Company to repurchase the Bonds, pursuant to the Delisting Repurchase Right or the Change of Control Repurchase Right or Non-Permitted Conversion Price Adjustment Event Repurchase Right, as the case may be, the Bondholder must deliver a written irrevocable notice of the exercise of such right (a “Bondholder Purchase Notice”) to any Paying Agent on any Business Day prior to the close of business at the location of such Paying Agent on such day and which day is not less than 10 Business Days prior to the Purchase Date.

Payment of the Delisting Repurchase Price upon exercise of the Delisting Repurchase Right or payment of the Change of Control Repurchase Price upon exercise of the Change of Control Repurchase Right or payment of the Non-Permitted Conversion Price Adjustment Event Repurchase Price upon exercise of the Non-Permitted Conversion Price Adjustment Event Repurchase Right for any Bond for which a Bondholder Purchase Notice has been delivered is conditional upon (i) the Company obtaining all approvals required by applicable law and (ii) delivery of the Certificate relating to such Bond (together with any necessary endorsements) to any Paying Agent on any Business Day together with the delivery of such Bondholder Purchase Notice. Payment will then be made promptly following the later of the Purchase Date and the time of delivery of such Certificate. So long as the Bonds are listed on AFRINEX, Mauritius and the rules of that stock exchange so require, the Company shall, once in each year in which there has been a partial redemption of the Bonds, cause to be published in a leading newspaper of general circulation in Mauritius and via website of AFRINEX, Mauritius (<https://www.afrinexexchange.com>) which there has been a partial redemption of the Bonds, cause to be published in a leading newspaper of general circulation, a notice specifying the aggregate principal amount of Bonds outstanding and a list of the Bonds drawn for redemption but not surrendered.

Neither the Trustee nor any of the Agents shall be required to take any steps to ascertain whether a Delisting or a Change of Control or Non-Permitted Conversion Price Adjustment Event or any events which could lead to the occurrence of a Delisting or a Change of Control or a Non-Permitted Conversion Price Adjustment Event, have occurred and shall assume no such event has occurred until it has express written notice from the Company of such event and will not be liable to any person for any failure by it to do so.

7.8 Repurchase

The Company may, if permitted under the laws of India, at any time repurchase Bonds. The Company is required to submit to the Registrar for cancellation the Certificates in respect of any Bonds so purchased.

7.9 Early Redemption Amount

“Early Redemption Amount” means an amount equal to 100% of the principal amount of the Bonds to be

redeemed plus the Redemption Premium at the relevant date fixed for redemption. "Redemption Premium" means an amount that is determined so that such Redemption Premium represents for each Bondholder a gross yield of 6.50% per annum (which is identical to the gross yield in the case of redemption at maturity), calculated on the basis of a 360 day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the actual number of days elapsed.

7.10 Redemption Notices

All notices to Bondholders given by or on behalf of the Company pursuant to this Condition will specify the date fixed for redemption, the redemption amount, the Conversion Price as at the date of the relevant notice, the Closing Price of the Shares, and the aggregate principal amount of the Bonds outstanding, in each case, as at the latest practicable date prior to the publication of the notice, all in accordance with Condition 19. Neither the Trustee nor any of the Agents shall be under any duty to ascertain whether the requisite approval relating to any early redemption has been obtained.

7.11 Multiple Notices

If more than one notice of redemption is given pursuant to this [Condition 7], the first of each such notice to be given shall prevail.

7.12 Closed Periods

No notice of redemption given under Condition 7 shall be effective if it specifies a date for redemption which falls during a Closed Period or within 15 Business Days immediately after the expiry of any Closed Period. Upon the expiry of any effective notice of redemption, the Company will be bound to redeem the Bonds to which such notice relates at the date fixed for redemption.

8 **Payments; Business Day**

8.1 Subject to Condition 8.9, payments of principal, premium (if any) will be made to the Bondholder, details (including a Bondholder's registered account and registered address) of which appear on the Register at the close of business on the record date which is 15 calendar days prior to the due date for redemption or payment, on delivery of the Certificate to any Paying Agent.

8.2 Each such payment will be made (i) by transfer to the registered account of the Bondholder or (ii) by US dollar cheque drawn on a bank in New York City mailed to the registered address of the Bondholder if it does not have a registered account (by ordinary uninsured mail and the risk of delivery being that of the Bondholder and at the expense of the Company). Payments will be subject in all cases to any applicable fiscal and other laws and regulations, but without prejudice to the provisions of Condition 9. Payment of principal and premium (if any) will only be made after surrender of the relevant Certificate at the specified office of any of the Agents.

8.3 If the amount of principal, premium (if any), which is due on the Bonds on any date is not paid in full, the Registrar will annotate the Register and any Certificates surrendered for payment with a record of the amount or principal, premium (if any) in fact paid and the date of such payment.

8.4 When making payments to Bondholders fractions of one cent will be rounded down to the nearest whole cent.

8.5 Bondholders will not be entitled to any payment for any delay after the due date in receiving the amount due if, and to the extent that, the due date is not a Business Day, if the Bondholder is late in surrendering its Certificate (if required to do so) or if a cheque mailed in accordance with this Condition arrives or is cleared after the due date for payment.

8.6 All payments in respect of the Bonds are subject in all cases to any applicable fiscal or other laws and regulations, but without prejudice to the provisions of Condition 9. No commissions or expenses shall be charged to the Bondholders in respect of such payments by the Company or its agents.

8.7 Where payment is to be made by transfer to a registered account, payment instructions (for value the due date or, if that date is not a Business Day, for value the following Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed, (i) on the Business Day on which the relevant Certificate is surrendered at the specified office of any of the Agents or (ii) on the next Business Day following the due date.

8.8 No payments of principal by the Company will be made if the requisite approvals of the Reserve Bank of India have not been obtained or any other applicable Indian laws and restrictions have not been complied with, which

approvals the Company will use reasonable endeavors to obtain but the Company will not be in default for not making payment if the requisite approvals have not been obtained.

- 8.9 In these conditions “Business Day” means a day on which the clearing banks in London, Mumbai and New York, are open for business and for the purpose of this Condition 8 only, in the case of the surrender of a Certificate, in the place where the Certificate is surrendered.
- 8.10 Subject to compliance with applicable Indian laws and regulations, if the amount of principal, premium (if any) or any other amounts due (including the principal amount and any additional amounts payable under these Conditions) that is due on the Bonds on any date is not paid in full, the Registrar will annotate the Register and any Certificates surrendered for payment with a record of the amount of principal, premium (if any) and any other amounts due, any amounts paid and the date of such payment.

9 Taxation

All payments of principal, premium (if any) in respect of the Bonds by the Company shall be made without deduction of, or withholding for or on account of, any present or future taxes, duties, assessments, or charges imposed by the Government of India of whatever nature imposed or levied by or in India or any political subdivision or any authority thereof or therein having power to tax, unless such deduction or withholding is required by law. In such event, the Company shall pay such additional amounts as may be necessary in order that the net amounts received by the holders of Bonds after such deduction or withholding shall equal the amounts which would have been receivable by them had no such deduction or withholding been required (except that no additional amounts shall be payable in respect of any Bond (i) held by a person resident in India for taxation purposes or (ii) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Directive 2003/48/EC, as amended from time to time or any other Directive implementing the conclusions of the ECOFIN Council Meeting of 26-27 November 2000 on the taxation of savings income or any other law implementing or complying with or introduced in order to, conform to, such Directive).

10 Prescription

Claims in respect of principal and other sums payable in respect of the Bonds will become prescribed unless made within ten years from the date upon which such payments become due. Neither the Trustee nor any Agent will have any responsibility, obligation, or liability with respect to any Bondholders for any amount so prescribed.

11 Undertakings

Whilst any Conversion Right remains exercisable, the Company will:

- 11.1 issue Shares to Bondholders on the exercise of Conversion Rights in accordance with these Conditions and at all times keep available for issue free from pre-emptive rights out of its authorised but unissued capital such number of Shares as would enable the Conversion Rights and all other rights of subscription and exchange for and conversion into Shares to be satisfied in full;
- 11.2 save with the approval of an Extraordinary Resolution of the Bondholders, not issue or pay up any Bonds, in either case by way of capitalisation of profits or reserves, other than (i) by the issue of fully paid Shares to the Shareholders and other holders of Shares in the capital of the Company which by their terms entitle the holders thereof to receive Shares on a capitalisation of profits or reserves or (ii) by the issue of Shares paid up in full out of profits or reserves (in accordance with applicable law) and issued wholly, ignoring fractional entitlements, in lieu of a cash dividend or (iii) by the issue of fully paid equity share capital (other than Shares) to the holders of equity share capital of the same class and other holders of Shares in the capital of the Company which by their terms entitle the holders thereof to receive equity share capital (other than Shares) on a capitalisation of profits or reserves, unless, in any such case, the same gives rise (or would, but for the fact that the adjustment would be less than 1% of the Conversion Price then in effect, give rise) to an adjustment to the Conversion Price;
- 11.3 if any offer is made to all (or as nearly as may be practicable) the Shareholders other than the offeror and/or any associate of the offeror to acquire all or a majority of the issued equity share capital of the Company, or if any person proposes a scheme with regard to such acquisition, give notice in accordance with Condition 19 of such offer or scheme to the Bondholders, the Trustee and the Agents at the same time as any notice thereof is sent to its Shareholders (or as soon as practicable thereafter) and such notice to state that details (provided that such details have been provided to the Principal Paying and Conversion Agent by the Company) concerning such offer or scheme may be obtained from the specified offices of the Principal Paying and Conversion Agent and, where such an offer or scheme has been recommended by the Board of Directors of the Company, or where such

an offer has become or been declared unconditional in all respects, use all reasonable endeavors to procure that a like offer or scheme is extended to the holders of any Shares issued during the period of the offer or shares arising out of the exercise of the Conversion Rights and/or to the holders of the Bonds;

- 11.4 use its best endeavors to ensure that the Shares issued upon conversion of any Bonds will be admitted to trading on the BSE and the NSE and will be listed, quoted, or dealt in on any other stock exchange or securities market on which the Shares may then be listed, quoted, or dealt in;
- 11.5 for the above purposes, "Extraordinary Resolution" means a resolution passed at a meeting of the holders of the Bonds duly convened and held in accordance with the provisions of the Trust Deed by a majority consisting of not less than three quarters of the votes cast thereon;
- 11.6.1 use its best endeavors (a) to obtain and maintain a listing of the Bonds on AFRINEX, Mauritius and (d) if the Company is unable to obtain or maintain such listing, to obtain and maintain a listing for all the Bonds and the Shares issued on the exercise of the Conversion Rights, on an alternate stock exchange where Bonds may be eligible to be listed, as the Company may from time to time (with the prior written consent of the Lead Manager) determine and will forthwith give notice to the Bondholders and the Trustee in accordance with Condition 19 below of the listing or delisting of the Shares or the Bonds (as a class) by any of such stock exchanges;
- 11.6.2 pay the expenses of the issue of, and all expenses of obtaining listing for, Shares arising on conversion of the Bonds; and
- 11.6.3 not reduce the Conversion Price below the par value of the Shares of the Company as a result of any adjustment made unless under applicable law then in effect, Bonds may be converted at such reduced Conversion Price into legally issued, fully-paid and non-assessable Shares.

The Company has also given certain other undertakings in the Trust Deed for the protection of the Conversion Right.

12 **Events of Default**

If any of the following events (an "**Event of Default**") occurs the Trustee at its discretion may (but shall not be obliged to), and if so requested in writing by the holders of not less than 25 percent in principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution shall (subject to being prefunded and/or indemnified and/or provided with security by the Bondholders to its satisfaction), give notice to the Company that the Bonds are, and they shall accordingly thereby become, immediately due and repayable at their principal amounts together with the Redemption Premium determined in accordance with Condition 7.9. Provided always that, within 10 Business Days from the date of such notice, any Bondholder may, at its absolute discretion, exercise its Conversion Right in the manner provided in Condition 5. The Conversion Date shall be the Business Day immediately following the date of receipt of the Conversion Notice from such Bondholder. The Company shall register such Bondholder or his/their nominee in the register of members of the Company and credit the securities account of such Bondholder with such number of Shares to be issued upon conversion in accordance with Condition 5.4. The Company shall promptly notify the Principal Paying and Conversion Agent in writing when it has issued and allotted Shares to such Bondholder in respect of a Conversion Notice. Upon the successful exercise of such Bondholder of its Conversion Right and the delivery of such number of Shares by the Company pursuant to Condition 5 so as to satisfy the Conversion Right, the principal amount due and repayable under the notice provided by the Trustee to the Company shall be reduced by the principal amount of Bonds for which the Conversion Right has been exercised. Provided always that the Bondholder shall exercise such Conversion Right only where the Company is able to convert the Bonds in Shares and the Cash Settlement Option described in Condition 5.4.5 shall not apply.

- 12.1 if default is made in the payment of principal, premium (if any), due on the Bonds or any of them on the due date (including Cash Settlement Amounts under Condition 5.4.5 where such amount becomes due and payable in circumstances otherwise than exercise of Conversion Option pursuant to EOD under this Condition 12), whether at maturity or on redemption or otherwise, and such default continues for a period of 10 calendar days;
- 12.2 if the Company fails to perform or observe any of its other obligations under the Bonds, these Conditions or the Trust Deed or if any event occurs or any action is taken or fails to be taken which is (or, but for the provisions of any applicable law, would be) a breach of any of the covenants contained in Condition 12 and (where the Trustee may (but is not obliged to do so) in its absolute discretion determine such failure is capable of remedy) in any such case such failure continues for the period of 30 days next following the service on the Company of a notice

requiring the same to be remedied;

- 12.3 the Company or any subsidiary is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend, payment of all or substantially all of (or of a particular type of) its debts, proposes or makes an agreement for the deferral, rescheduling or other readjustment of all or substantially all of (or all of a particular type of) its debts (or of any part which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared or comes into effect in respect of or affecting all or any part of (or of a particular type of) the debts of the Company or any of its proposed subsidiaries, except for the purpose of and followed by a merger (i) in accordance with, and complying with the relevant provisions or (ii) on terms approved by an Extraordinary Resolution of the Bondholders;
- 12.4 if any other present or future indebtedness of the Company or any of its subsidiaries for or in respect of money borrowed or raised becomes (or becomes capable of being declared) due and payable prior to its stated maturity by reason of any default or event of default, or (ii) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period, or (iii) the Company or any of its subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of which one or more of the events mentioned above have occurred equals or exceeds US\$5 million or its equivalent currency against the Indian Rupees as quoted by any independent leading bank of international repute on the day on which amount becomes due and payable or is not paid under any such guarantee or indemnity;
- 12.5 if a distress, attachment, execution, or other legal process is levied, enforced, or sued upon or against any material part of the property, assets, or revenues of the Company or any of its proposed subsidiaries, which is material to the Company and its subsidiaries as a whole, and is not discharged or stayed within 30 days;
- 12.6 if the Company fails to repay borrowed money (i) prior to its stated maturity by reason of an Event of Default (ii) within any applicable grace period originally provided for (iii) amount payable under any present or future guarantee or indemnity, provided that aggregate principal amount of relevant indebtedness exceeds US\$5 million, and default shall be deemed to have been waived or cured if such default is waived or cured;
- 12.7 if any order is made or an effective resolution passed for winding up or an administration order is made in relation to the Company or any of its subsidiaries (save for the purpose of amalgamation, merger, consolidation, reorganization, or other similar arrangements on terms approved by an Extraordinary Resolution of the Bondholders);
- 12.8 if the Company or any of its subsidiaries ceases or threatens to cease to carry on its business;
- 12.9 if an encumbrancer takes possession or an administrative or other receiver is appointed of the whole or any material part of the undertaking or assets of the Company or any of its subsidiaries or if a distress, execution, or any similar proceeding is levied or enforced upon or sued out against any of the chattels or property of the Company or any of its subsidiaries and in any of the foregoing cases is not discharged within 30 days;
- 12.10 if an encumbrancer takes possession or an administrative or other receiver or an administrator is appointed in respect of the whole or any substantial part of the property, assets, or revenues of the Company or any of its subsidiaries (as the case may be) and is not discharged within 30 days. Any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a material part of the assets of the Company or any of its subsidiaries, which is material to the Company and its subsidiaries as a whole; or
- 12.11 if any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs.

13 Replacement of Bond Certificates

Should any Certificate be lost, stolen, mutilated, defaced, or destroyed it may be replaced at the specified office of any Agent subject to all applicable laws and stock exchange requirements upon payment by the claimant of the expenses, taxes and duties incurred in connection therewith and on such terms as to evidence as to beneficial ownership and indemnity (with or without security) as the Company and such Agent may require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

14 Meetings of Bondholders

The Trust Deed contains provisions for convening meetings of Bondholders to consider matters affecting their

interest, including the modification of any of these Conditions or any provisions of the Trust Deed. Any such modification may be made if sanctioned by an Extraordinary Resolution (as defined in the Trust Deed). The quorum for any meeting convened to consider an Extraordinary Resolution will be two or more persons holding or representing over 50% in principal amount of the Bonds for the time being outstanding, or at any adjourned meeting two or more persons being or representing Bondholders whatever the principal amount of the Bonds held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to modify the maturity of the Bonds, (ii) to reduce or cancel the principal amount of or premium (if any) on the Bonds, (iii) to change the currency of payment of the Bonds, (iv) to modify or cancel the Conversion Right or shorten the Conversion Period, or (v) to modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum will be two or more persons holding or representing not less than two-thirds, or at any adjourned meeting two or more persons holding or representing not less than one-third, of the principal amount of the Bonds for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on all Bondholders, whether or not they were present at the meeting at which such resolution was passed and will be conclusive and binding on all future Bondholders. The Trust Deed provides that a written resolution signed by or on behalf of the holders of not less than two-thirds of the aggregate principal amount of Bonds outstanding shall be as valid and effective as a duly passed Extraordinary Resolution.

15 **Further issues of Bonds**

The Company may from time to time, without the consent of the Bondholders, create and issue further notes, bonds or debentures either having the same terms and conditions in all respects as the outstanding notes, bonds or debentures of any series (including the Bonds) and so that such further notes, bonds or debentures shall be standalone and form a single series with the outstanding notes, bonds or debentures of any series (including the Bonds) or upon such terms as to interest, subordination (if any), premium, conversion, redemption and otherwise as the Company may determine at the time of their issue. Any further notes, bonds or debentures forming a single series with the outstanding notes, bonds, or debentures of any series (including the Bonds) constituted by the Trust Deed or any deed supplemental to it shall, and any other notes, bonds or debentures may, be constituted by a deed supplemental to the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Bondholders and the holders of notes, bonds, or debentures of other series.

16 **Enforcement**

At any time after the Bonds become due and payable and amounts in respect thereof remain outstanding, the Trustee may, at its discretion and without further notice, institute such proceedings against the Company as it may think fit to enforce the terms of the Trust Deed and the Bonds, but it will not be bound to take any such proceedings unless (i) it shall have been so directed by an Extraordinary Resolution or so requested in writing by the Bondholders holding not less than 25 percent of the principal amount of the Bonds outstanding and (ii) it shall have been prefunded and/or indemnified and/or provided with security by the Bondholders to its satisfaction. No Bondholder may proceed directly against the Company unless (i) the Trustee, having become bound to proceed, fails to do so and such failure shall have continued for a period of 60 days and no direction inconsistent with such written request or Extraordinary Resolution has been given to the Trustee during such 60 day period by the holders of a majority in principal amount of the outstanding Bonds or (ii) such action relates to any failure by the Company to issue shares to such Bondholder following delivery of a Conversion Notice.

17 **Modifications and Waiver**

The Trustee may (but shall not be obliged to) agree, without the consent of the Bondholders, to (i) any modification of any of the provisions of the Bonds, the Trust Deed or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error which is proven to the Trustee's satisfaction or in the opinion of the Trustee, necessary to comply with mandatory provisions of law or regulation, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Bonds, the Trust Deed or the Agency Agreement which is in the opinion of the Trustee not materially prejudicial to the interests of the Bondholders. Any such modification, authorisation, or waiver shall be binding on the Bondholders. The Trustee's agreement may be subject to any condition that the Trustee requires, including but not limited to obtaining, at the sole expense of the Company, an opinion of any investment bank or legal or other expert satisfactory to the Trustee and being prefunded, indemnified and/or provided with security to its satisfaction. If the Trustee instructs the Company, any such modification, waiver or authorisation shall be notified by the Company to the holders of the Bonds as soon as practicable thereafter in accordance with Condition 19, and for so long as the Bonds are listed on AFRINEX, Mauritius and the rules of that exchange so require, to AFRINEX, Mauritius. For the purpose of notification to the holders of the Bonds, the Trustee is entitled to rely on any information, reports and certifications provided by ACHL, or any alternative

clearing system (as the case may be) as to details of the Bond holdings and the Accountholders (as defined in the Global Certificate).

18 Entitlement of the Trustee

In connection with the exercise of its functions (including but not limited to those in relation to any proposed modification, authorisation or waiver) the Trustee shall have regard to the interests of the Bondholders as a class and shall not have regard to the consequences of such exercise for individual Bondholders and the Trustee shall not be entitled to require, nor shall any Bondholder be entitled to claim from the Company any indemnification or payment in respect of any tax consequences of any such individual Bondholders. Following delivery of a Conversion Notice, the holder of the Bonds to which such Conversion Notice relates shall no longer be treated as a Bondholder in respect of such Bonds, unless the Company has failed to issue and allot shares to such Bondholder pursuant to Condition 5.

19 Notices

All notices to Bondholders shall be validly given if mailed to them at their respective addresses in the Register maintained by the Registrar and so long as the Bonds are listed on AFRINEX, Mauritius and the rules of AFRINEX, Mauritius so require, any such notice shall be deemed to have been given on the earlier of such publication and the seventh day after being so mailed. The Notices will also be published via website of the Afrinex Mauritius of such adjustment to the Conversion Price at least ten Business Days in advance of the effective date of such adjustment.

20 Agents

The initial Agents and Registrar and their initial specified offices are listed below. Subject to the terms of the Agency Agreement, the Company reserves the right at any time to vary or terminate the appointment of any Agent and appoint additional or other Agents, provided that it will maintain (i) a Principal Paying and Conversion Agent, (ii) a Registrar outside the United Kingdom, (iii) an Agent in a European Union member state that will not be obliged to deduct tax pursuant to European Union Directive 2003/48/EC (as amended) or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings or any law implementing or complying with, or introduced in order to conform to, such Directive, (iv) an Agent having a specified office in London, (v) a share transfer agent having a specified office in India; and (vi) a paying agent, transfer agent and conversion agent upon the issue of Bonds in definitive form (as long as the Bonds are listed on AFRINEX, Mauritius and the rules of that exchange so require). Notice of any change in the Agents or their specified offices will promptly be given to the Bondholders in accordance with Condition 19.

Subject to the terms of the Agency Agreement, in acting hereunder and in connection with the Bonds, the Agents shall act solely as agents of the Company and will not thereby assume any obligations towards, or relationships of agency or trust for, any of the Bondholders.

21 Governing law

These Conditions, the Agency Agreement, the Deed, and the Bonds are governed by, and shall be construed in accordance with, laws of Mauritius. The Company has in the Deed irrevocably agreed for the benefit of the Bondholders that the courts of Mauritius are to have jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed or the Bonds and that accordingly any suit, action or proceedings arising there from or in connection therewith (together referred to as "Proceedings") may be brought by the Bondholders in the courts of Mauritius. The Company has in the Deed irrevocably and unconditionally waived and agreed not to raise any objection which it may have now or subsequently to the laying of the venue of any Proceedings in the courts of Mauritius and any claim that any Proceedings have been brought in an inconvenient forum and has further irrevocably and unconditionally agreed that a judgment in any Proceedings brought in the courts of Mauritius shall be conclusive and binding upon the Company and may be enforced in the courts of any other jurisdiction. Nothing in this Condition shall limit any right to take Proceedings against the Company in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

22 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Bonds under the Contracts (Rights of Third Parties) Act 1999 except and to the extent (if any) that these Conditions expressly provides for such Act to apply to any of its terms.

23 Indemnification

The Deed contains provisions for the indemnification of the Registrar and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment unless prefunded, indemnified and/or provided with security to its satisfaction. Where the Trustee so requires, an indemnity must be provided on a joint and several basis. The Registrar is entitled to enter into business transactions with the Company and its subsidiaries without accounting for any profit.

The Registrar may rely without liability to Bondholders on any certificate prepared by the directors or authorised officers of the Company and accompanied by a certificate or report prepared by the auditors of the Company or an internationally recognised firm of accountants or any expert called for or provided to the Registrar pursuant to the Conditions and/or the Deed satisfactory to the Registrar, whether or not addressed to the Registrar and whether or not the auditors of the Company or the internationally recognised firm of accountants' liability in respect thereof or the liability of any expert is limited by a monetary cap or otherwise limited or excluded. Any such certificate or report shall, in the absence of any manifest error, in the Trustee's opinion, be conclusive and binding on the Company, the Trustee and the Bondholders.

24. Information Rights

The Bondholder must have access to all information and material, financial or otherwise provided to a member of the Board. The Promoters will ensure that the Bondholder has the right to discuss / consult with the senior management of the Company.

In particular, the Company will provide all Board Members with:

- a) quarterly management accounts and financial information,
- b) consolidated annual management accounts,
- c) consolidated audited accounts,
- d) annual business plan, annual budget and projected financial statement, and
- e) such other operating statistics and other trading and financial information, MIS reports in such form as required by the Board from time to time

GLOBAL CERTIFICATES

The Global Certificate contains provisions which apply to the Bonds in respect of which the Global Certificate is issued, some of which modify the effect of the Conditions set out in this Offering Circular. Terms defined in the Conditions have the same respective meanings in the paragraphs below. The following is a summary of those provisions:

Meetings

The registered holder of the Bonds hereof shall be treated as two persons for the purposes of any quorum requirements of a meeting of Bondholders and, at any such meeting, as having one vote in respect of each US\$100,000 in principal amount of Bonds in respect of which the Global Certificate is issued. The Trustee may allow to attend and speak (but not to vote) at any meeting of Bondholders, any accountholder (or the representative of any such person) entitled to Bonds in respect of which the Global Certificate is issued, on confirmation of entitlement and proof of his identity.

Conversion

Subject to the requirements of ACHL, Mauritius (or any alternative clearing system), the Conversion Right attaching to Bonds in respect of which the Global Certificate is issued may be exercised by the presentation to or to the order of the Conversion Agent of one or more Conversion Notices (which may be by facsimile while the Bonds are represented by the Global Certificate) duly completed by or on behalf of an Accountholder (as defined below) in such system with an entitlement to such Bonds. Deposit of the Global Certificate with the Conversion Agent together with the relevant Conversion Notice shall not be required. The exercise of the Conversion Right shall be notified by the Conversion Agent to the Registrar and the holder of the Global Certificate.

Registrar's Powers

In considering the interests of Bondholders while the Global Certificate is registered in the name of a nominee for a clearing system the Registrar may, to the extent it considers it appropriate to do so in the circumstances, (a) have regard to such information as may have been made available to it by or on behalf of the relevant clearing system or its operator as to the identity of its accountholders (either individually or by way of category) with entitlements in respect of Bonds and (b) consider such interests on the basis that such accountholders were the holders of the Bonds in respect of which the Global Certificate is issued.

Enforcement

For all purposes, each person who is for the time being shown in the records of ACHL Mauritius as a holder of a particular principal amount of Bonds in respect of which the Global Certificate is issued, (in which regard any certificate or other document issued by ACHL, Mauritius as to the principal amount of Bonds represented by a Global Certificate standing to the account of any person shall be conclusive and binding for all purposes) shall be recognised as the holder of such principal amount of Bonds.

Cancellation

Cancellation of any Bond required by the Conditions to be cancelled following its redemption, conversion or purchase by the Issuer will be effected by reduction in the principal amount of the Bonds in the Register.

Repurchase of the Bonds at the Option of the Bondholders

The Bondholders' options in Conditions 7.4, 7.5 and 7.6 may be exercised by the holder of the Global Certificate giving written notice to the Principal Paying and Conversion Agent of the principal amount of Bonds in respect of which the option is exercised and presenting the Global Certificate for endorsement or exercise in the form specified by, and within the time limits specified in, the Conditions.

Exchange and Registration of Title

In circumstances where the Bondholders are entitled to receive definitive Certificates, the Issuer will make arrangements for the exchange of interests in the Global Certificate in whole but not in part for definitive Certificates and will cause sufficient individual definitive Certificates to be executed and delivered to the Registrar in sufficient quantities for completion, authentication, and dispatch to the relevant Bondholders. A person exchanging interests in the Global Certificate for one or more of the definitive Certificates must provide to the Registrar, through the relevant clearing system, a written request containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such individual definitive Certificates. Any definitive Certificates delivered in exchange for the Global Certificate or beneficial interests therein will be registered in the names requested, and issued in any denominations approved, by the relevant clearing system.

In the case of definitive Certificates issued in exchange for any Global Certificate, such definitive Certificates will bear, and be subject to, such legends, as the Issuer requires in order to assure compliance with any applicable law. The holder of such restricted definitive Certificates may transfer the Bonds represented by such definitive Certificates, subject to compliance with the provisions of such legend. Upon the transfer, exchange or replacement of definitive Certificates bearing the legend, or upon specific request for removal of the legend on a definitive Certificate, the Issuer will deliver only definitive Certificates that bear such legend, or will refuse to remove such legend, as the case may be, unless there is delivered to the Issuer such satisfactory evidence, which may include an opinion of counsel, as may reasonably be required by the Issuer that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

Payments

Payments of principal, premium (if any) in respect of Bonds represented by the Global Certificate will be made against presentation and, if no further payment falls to be made in respect of the Bonds, surrender of the Global Certificate to or to the order of the Principal Paying and Conversion Agent or such other Paying Agent as shall have been notified to the Bondholders for such purpose

Transfers

Transfers of interests in the Bonds with respect to which the Global Certificate is issued shall be made in accordance with the Agency Agreement.

Transfers of interests in the Bonds with respect to which the Global Certificate is issued shall be effected through the records of ACHL , Mauritius and their respective participants in accordance with the rules and procedures of ACHL , Mauritius or an alternative clearing system and their respective direct and indirect participants.

The laws of certain jurisdictions require that certain purchasers of the Bonds take physical delivery of such Bonds in definitive form. Accordingly, the ability of beneficial owners to own, transfer or pledge beneficial interest in the Global Certificate may be limited by such laws.

Conversion through participants in ACHL , Mauritius will be effected in the ordinary way in accordance with their respective rules and operating procedures.

Accountholders

For so long as any of the Bonds are represented by the Global Certificate and such Global Certificate is held on behalf of CDS, Mauritius or the alternative clearing system, each person who is for the time being shown in the records of CDS or the alternative clearing system as the holder of a particular principal amount of such bonds (each an “**Accountholder**”) (in which regard any certificate or other document issued by SBM Fund Services Limited as to the principal amount of such Bonds standing to the account of any person shall be conclusive and binding for all purposes) shall be treated as the holder of such principal amount of such Bonds for all purposes (including for the purposes of any quorum requirements of, or in the right to demand a poll at, meetings of the Bondholders) other than with respect to the payment of principal, premium (if any) on such Bonds, the right to which shall be vested, as against the Issuer and the Registrar, solely in the holder of the Global Certificate in accordance with and subject to its terms and the terms of the Deed. Each Accountholder must look solely to the Registrar, or the Issuer as the case may be, for its share of each payment made to the holder of the Global Certificate. The Registrar is entitled to rely on any information, reports and certifications provided by CDS, Mauritius or the Alternative Clearing System (as the case may be) as to details of the holdings of Bonds and the Accountholders.

Definitive Certificate

In the case of definitive Certificates issued in exchange for any Global Certificate, such definitive Certificates will bear, and be subject to, such legends, as the Issuer requires in order to assure compliance with any applicable law. The holder of such restricted definitive Certificates may transfer the Bonds represented by such definitive Certificates, subject to compliance with the provisions of such legend. Upon the transfer or replacement of definitive Certificates bearing the legend, or upon specific request for removal of the legend on a definitive Certificate, the Issuer will deliver only definitive Certificates that bear such legend, or will refuse to remove such legend, as the case may be, unless there is delivered to the Issuer such satisfactory evidence, which may include an opinion of counsel, as may reasonably be required by the Issuer that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

Notices

So long as the Bonds are represented by the Global Certificate and the Global Certificate is held on behalf of ACHL , Mauritius or an alternative clearing system, notices required to be given to Bondholders may be given by their being delivered to the relevant clearing system for communication by it to entitled Accountholders in substitution for

notification, as required by the Conditions and so long as the Bonds are listed on AFRINEX and the rules of the Afrinex Securities List so require, of AFRINEX Mauritius. The Notices will also be published via website of AFRINEX, Mauritius of such adjustment to the Conversion Price at least ten Business Days in advance of the effective date of such adjustment

BOOK-ENTRY, DELIVERY AND FORM

General

The Bonds sold outside the United States pursuant to Regulation S under the U.S. Securities Act will initially be represented by one or more global certificate in registered form without interest coupons attached (the “*Regulation S Global Certificate*”). The Regulation S Global Certificate will be deposited, on the closing date, with a depositary and registered in the name of the nominee of the depositary for the accounts of Afrinex Clearing House Ltd.

Ownership of interests in the Regulation S Global Certificate (the “*Regulation S Book-Entry Interests*,”) will be limited to persons that have accounts with Afrinex Clearing House Ltd or persons that may hold interests through such participants. Book-Entry Interests will be shown on, and transfers thereof will be effected only through, records maintained in book-entry form by Afrinex Clearing House Ltd and their participants. The Book-Entry Interests in the Global Certificate will be issued only in denominations of USD 100,000.00 each or integral multiples of USD 100,000.00 thereof.

The Book-Entry Interests will not be held in definitive form. Instead, Afrinex Clearing House Ltd will credit on their respective book-entry registration and transfer systems the account of a participant with the interest beneficially owned by such participant. The laws of some jurisdictions, including certain states of the United States, may require that certain purchasers of securities take physical delivery of such securities in definitive form. The foregoing limitations may impair the ability to own, transfer or pledge Book-Entry Interests. In addition, while the Bonds are in global form, holders of Book-Entry Interests will not have the Bonds registered in their names, will not receive physical delivery of the Bonds in certificated form and will not be considered the registered owners or “holders” of Bonds under the Trust Deed for any purpose.

So long as the Bonds are held in global form, the nominee of the depositary for Afrinex Clearing House Limited, as applicable, will be considered the sole holders of Global Certificate for all purposes. As such, participants must rely on the procedures of ACHL and indirect participants must rely on the procedures of ACHL and the participants through which they own Book-Entry Interests in order to transfer their interests.

None of the Issuer, the Trustee, the Paying Agent, the Transfer Agent, or the Registrar or any of their respective agents will have any responsibility or be liable for any aspect of the records relating to the Book-Entry Interests.

Redemption of Global Certificate

In the event any Global Certificate, or any portion thereof, is redeemed, ACHL, as applicable, will distribute the same amount received by it in respect of the Global Certificate so redeemed to the holders of the Book-Entry Interests in such Global Certificate from the amount received by it in respect of the redemption of such Global Certificate. The redemption price payable in connection with the redemption of such Book-Entry Interests will be equal to the amount received by Afrinex Clearing House Limited, as applicable, in connection with the redemption of such **Global Certificate** (or any portion thereof). The Issuer understands that under existing practices of ACHL, if fewer than all the Bonds are to be redeemed at any time, Afrinex Clearing House Limited will credit the accounts of participants on a proportionate basis (with adjustments to prevent fractions) or on such other basis as they deem fair and appropriate; *provided, however*, that no Book-Entry Interest of less than USD 100,000 principal amount at maturity, or less, may be redeemed in part.

Payments on Global Certificate

Payments of amounts owing in respect of the Global Certificate (including principal, premium, and additional amounts) will be made by the Issuer to the Paying Agent. The Paying Agent will, in turn, make such payments to Afrinex Clearing House Ltd, which will distribute such payments to participants in accordance with their respective procedures.

The Issuer, the Trustee, the Paying Agent, the Transfer Agent, and the Registrar will treat the registered holder

of the Global Certificate (i.e., Afrinex Clearing House Ltd or their respective nominees) as the owner thereof for the purpose of receiving payments and for all other purposes. Consequently, none of the Issuer, the Trustee, the Paying Agent, the Transfer Agent, the Registrar, or any of their respective agents has or will have any responsibility or liability for:

- any aspects of the records of Afrinex Clearing House Ltd or any participant or indirect participant relating to, or payments made on account of, a Book-Entry Interest, for any such payments made by Afrinex Clearing House Ltd or any participant or indirect participant, or for maintaining, supervising, or reviewing the records of Afrinex Clearing House Ltd or any participant or indirect participant relating to, or payments made on account of, a Book-Entry Interest;
- payments made by Afrinex Clearing House Ltd or any participant or indirect participant, or for maintaining, supervising, or reviewing the records of Afrinex Clearing House Ltd or any participant or indirect participant relating to or payments made on account of a Book-Entry Interest; or
- Afrinex Clearing House Ltd or any participant or indirect participant.

Payments by participants to owners of Book-Entry Interests held through participants are the responsibility of such participants, as is now the case with securities held for the accounts of subscribers registered in “street name.”

Currency and Payment for the Global Certificate

The principal of, premium, if any, on, and all other amounts payable in respect of, the Global Certificate, will be paid to holders of interest in such Bonds through Afrinex Clearing House Limited in US Dollar.

Action by Owners of Book-Entry Interests

Afrinex Clearing House Ltd have advised the Issuer that they will take any action permitted to be taken by a holder of Bonds only at the direction of one or more participants to whose account the Book-Entry Interests in the Global Certificate are credited and only in respect of such portion of the aggregate principal amount of Bonds as to which such participant or participants has or have given such direction. ACHL will not exercise any discretion in the granting of consents, waivers or the taking of any other action in respect of the Global Certificate. Nevertheless, if there is an event of default under the Bonds, Afrinex Clearing House Limited reserves the right to exchange the Global Certificate for Definitive Registered Bonds in certificated form and to distribute such Definitive Registered Bonds to their respective participants.

Issuance of Definitive Registered Bonds

Owners of Book Entry Interests will receive definitive Bonds in registered form (the “*Definitive Registered Bonds*”):

- if Afrinex Clearing House Ltd notify the Issuer that it is unwilling or unable to continue to act as depositary and a successor depositary is not appointed by the Issuer within 120 days;
- if Afrinex Clearing House Ltd so requests following an Event of Default; or
- if the owner of a Book Entry Interest requests such exchange in writing delivered through either Afrinex Clearing House Ltd following an Event of Default.

In such an event, the Registrar will issue Definitive Registered Bonds, registered in the name or names and issued in any approved denominations, requested by or on behalf of Afrinex Clearing House Ltd, as applicable (in accordance with their respective customary procedures and based upon directions received from participants reflecting the beneficial ownership of Book Entry Interests), and such Definitive Registered Bonds will bear the restrictive legend referred to in “*Notice to Investors*,” unless that legend is not required by the Trust Deed or applicable law.

In the case of the issue of Definitive Registered Bonds, the holder of a Definitive Registered Bond may transfer such Definitive Registered Bond by surrendering it to the Registrar. In the event of a partial transfer or a partial redemption of one Definitive Registered Bond, a new Definitive Registered Bond will be issued to the transferee in respect of the part transferred, and a new Definitive Registered Bond will be issued to the transferor or the holder, as applicable, in respect of the balance of the holding not transferred or redeemed; provided that a Definitive Registered Bond will only be issued in denominations of USD[] each or integral multiples of thereof.

If Definitive Registered Bonds are issued and a holder thereof claims that such Definitive Registered Bonds have been lost, destroyed, or wrongfully taken, or if such Definitive Registered Bonds are mutilated and are surrendered to the Registrar or at the office of the applicable Transfer Agent, we will issue and the Trustee or an

authenticating agent appointed by the Trustee will authenticate a replacement Definitive Registered Bond if the Trustee's and our requirements are met. We or the Trustee may require a holder requesting replacement of a Definitive Registered Bond to furnish an indemnity bond sufficient in the judgment of both the Trustee and us to protect us, the Trustee, the Transfer Agent, the Registrar, and the applicable Paying Agent appointed pursuant to the Trust Deed from any loss which any of them may suffer if a Definitive Registered Bond is replaced. We and/or the Trustee may charge for expenses in replacing a Definitive Registered Bond.

Definitive Registered Bonds may be transferred and exchanged for Book-Entry Interests only in accordance with the Conditions and, if required, only after the transferor first delivers to the applicable Transfer Agent a written certification (in the form provided in the Trust Deed) to the effect that such transfer will comply with the transfer restrictions applicable to such Bonds. See "Notice to Investors."

To the extent permitted by law, we, the Trustee, the Paying Agent, the Transfer Agent, and the Registrar shall be entitled to treat the registered holder of any Global Certificate as the absolute owner thereof and no person will be liable for treating the registered holder as such. Ownership of the Global Certificate will be evidenced through registration from time to time at the registered office of the Issuer, and such registration is a means of evidencing title to the Bonds.

We will not impose any fees or other charges in respect of the Bonds; however, owners of the Book-Entry Interests may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear and/or Clearstream Banking, as applicable.

Information Concerning Afrinex Clearing House Limited

All Book-Entry Interests will be subject to the operations and procedures of Afrinex Clearing House Limited, as applicable. The Issuer provides the following summaries of those operations and procedures solely for the convenience of investors. The operations and procedures of each settlement system are controlled by that settlement system and may be changed at any time. Neither the Issuer nor the Initial Purchasers are responsible for those operations or procedures.

Afrinex Clearing House Limited hold securities for participating organizations. They also facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in the accounts of such participants. Afrinex Clearing House Limited provide various services to their participants, including the safekeeping, administration, clearance, settlement, lending and borrowing of internationally traded securities. Afrinex Clearing House Limited interface with domestic securities markets. Afrinex Clearing House Limited participants are financial institutions such as underwriters, securities brokers and dealers, banks, trust companies and certain other organizations. Indirect access to Afrinex Clearing House Limited is also available to others such as banks, brokers, dealers, and trust companies that clear through or maintain a custodial relationship with a Afrinex Clearing House Limited participant, either directly or indirectly.

Because Afrinex Clearing House Limited can only act on behalf of participants, who in turn act on behalf of indirect participants and certain banks, the ability of an owner of a beneficial interest to pledge such interest to persons or entities that do not participate in the Afrinex Clearing House Limited systems, or otherwise take actions in respect of such interest, may be limited by the lack of a definite certificate for that interest. The laws of some jurisdictions require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer beneficial interests to such person may be limited. In addition, owners of beneficial interests through Afrinex Clearing House Limited systems will receive distributions attributable to the Global Certificate only through Afrinex Clearing House Limited participants.

Global Clearance and Settlement Under the Book-Entry System

The Bonds represented by the Global Certificate are expected to be listed on the Securities List of AFRINEX, Mauritius. Transfers of interests in the Global Certificate between participants in Afrinex Clearing House Limited will be effected in the ordinary way in accordance with their respective system's rules and operating procedures.

Although Afrinex Clearing House Limited are expected to follow the foregoing procedures in order to facilitate transfers of interests in the Global Certificate among participants in ACHL, as the case may be, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or modified at any time. None of the Issuer, the Trustee, the Transfer Agent, the Registrar, or the Paying Agent will have any

responsibility for the performance by ACHL or their respective participants or indirect participants, of their respective obligations under the rules and procedures governing their operations.

Initial Settlement

Initial settlement for the Bonds will be made in USD. Book-Entry Interests owned through Afrinex Clearing House Limited accounts will follow the settlement procedures applicable to Regulation S Bonds in registered form. Book-Entry Interests will be credited to the securities custody accounts of Afrinex Clearing House Limited holders on the business day following the settlement date against payment for value on the settlement date.

Secondary Market Trading

The Book-Entry Interests will trade through participants of Afrinex Clearing House Limited and will settle in same-day funds. Since the purchase determines the place of delivery, it is important to establish at the time of trading of any Book-Entry Interests where the accounts of both the purchaser and the seller are located to ensure that settlement can be made on the desired value date.

Special Timing Consideration

You should be aware that investors will only be able to make and receive deliveries, payments and other communications involving the Bonds through Afrinex Clearing House Limited on days when those systems are open for business.

TRANSFER RESTRICTIONS

You are advised to consult legal counsel prior to making any offer, resale, pledge, or other transfer of any of the Bonds offered hereby.

The Bonds have not been, and will not be, registered under the U.S. Securities Act or any state securities laws and, unless so registered, may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Bonds offered hereby are being offered and sold only to persons outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act.

We have not registered and will not register the Bonds under the U.S. Securities Act and, therefore, the Bonds may not be offered or sold within the United States or to, or for the account or benefit of U.S. persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. Accordingly, the Issuer is offering and selling the Bonds only to non-U.S. persons purchasing the Bonds outside the United States in accordance with Regulation S.

We use the terms “offshore transaction,” “U.S. person” and “United States” with the meanings given to them in Regulation S.

Each purchaser of Bonds, by its acceptance thereof, will be deemed to have acknowledged, represented to, and agreed with us as follows:

- (1) You understand and acknowledge that the Bonds have not been registered under the U.S. Securities Act or any other applicable securities laws and that the Bonds are being offered for sale in transactions not requiring registration under the U.S. Securities Act or any other securities law, including sales pursuant to Rule 144A, and, unless so registered, may not be offered, sold or otherwise transferred except in compliance with the registration requirements of the U.S. Securities Act or any other applicable securities law, pursuant to an exemption therefrom or in any transaction not subject thereto and in each case in compliance with the conditions for transfer set forth in paragraphs (5) and (6) below.
- (2) You are
 - (i) are a non-U.S. person purchasing the Bonds in an offshore transaction in accordance with Regulation S.
- (3) You acknowledge that none of the Issuer, nor any person representing the Issuer, has made any representation to you with respect to the offering or sale of any Bonds, other than the information contained in this Offering Memorandum, which Offering Memorandum has been delivered to you and upon which you are relying in making your investment decision with respect to the Bonds. You acknowledge that neither the Issuer nor any person representing the Issuer including the Lead Manager makes any representation or warranty as to the accuracy or completeness of this Offering Memorandum. You have had access to such financial and other information concerning us and the Bonds as you have deemed necessary in connection with your decision to purchase any of the Bonds, including an opportunity to ask questions of, and request information from, the Issuer, and the Initial Purchasers.
- (4) You are purchasing the Bonds for your own account, or for one or more investor accounts for which you are acting as a fiduciary or agent, in each case for investment, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the U.S. Securities Act or any state securities laws, subject to any requirement of law that the disposition of its property or the property of such investor account or accounts be at all times within your or their control and subject to your or their ability to resell such Bonds pursuant to Regulation S or any other exemption from registration available under the U.S. Securities Act.
- (5) You agree on your own behalf and on behalf of any investor account for which you are purchasing the Bonds, and each subsequent holder of the Bonds by its acceptance thereof will be deemed to agree, to offer, sell or otherwise transfer such Bonds (in the case of Regulation S Global Bonds only, 40 days after the later of the date of the original issue and the last date on which the Issuer or any affiliate of the Issuer was the owner of such Bonds (or any predecessor thereto)) only pursuant to a registration statement that has been declared effective under the U.S. Securities Act,

- (i) pursuant to offers and sales to non-U.S. persons that occur outside the United States in compliance with Regulation S under the U.S. Securities Act, or
- (ii) prior to 40 after the later of the commencement of the offering of the Bonds and the latest closing date of the issue of the Bonds pursuant to a registration statement which has been declared effective under the U.S. Securities Act, or
- (iii) pursuant to any other available exemption from the registration requirements of the U.S. Securities Act, subject in each of the foregoing cases to any requirement of law that the disposition of seller's property or the property of such investor account or accounts be at all times within the seller or their control and in compliance with any applicable state securities laws and any applicable local laws and regulations, and further subject to the Issuer's and the Trustee's rights prior to any such offer, sale or transfer (I) pursuant to clauses (i) and (ii) to require the delivery of an opinion of counsel, certification and/or other information satisfactory to each of them and
- (iv) in each of the foregoing cases, to require that a certificate of transfer in the form appearing on the reverse of the security is completed and delivered by the transferor to the Trustee. The foregoing restrictions on resale will not apply subsequent to the Resale Restriction Termination Date. Each purchaser acknowledges that each Bond will contain a legend substantially to the following effect:

THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT. THE HOLDER OF THIS SECURITY BY ITS ACCEPTANCE HEREOF AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR FOR WHICH IT HAS PURCHASED SECURITIES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY: PRIOR TO THE DATE WHICH IS 40 DAYS AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF THIS SECURITY)] ONLY (A) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE U.S. SECURITIES ACT, (B) PURSUANT TO OFFERS AND SALES TO NON-U.S. PERSONS THAT OCCUR OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE U.S. SECURITIES ACT OR (C) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT, SUBJECT IN EACH OF THE FOREGOING CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF ITS PROPERTY OR THE PROPERTY OF SUCH INVESTOR ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN ITS OR THEIR CONTROL AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS AND ANY APPLICABLE LOCAL LAWS AND REGULATIONS AND FURTHER SUBJECT TO THE ISSUER'S AND THE TRUSTEE'S RIGHTS PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER (I) PURSUANT TO CLAUSE (C) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM,

(II) IN EACH OF THE FOREGOING CASES, TO REQUIRE THAT A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE OTHER SIDE OF THIS SECURITY IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRUSTEE AND (III) AGREES **THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.**

If you purchase Bonds, you will also be deemed to acknowledge that the foregoing restrictions apply to holders of beneficial interests in the Bonds as well as to holders of the Bonds.

- (6) You agree that you will give to each person to whom you transfer the Bonds notice of any restrictions on transfer of such Bonds.

- (7) You acknowledge that until 40 days after the commencement of the Offering, any offer or sale of the Bonds within the United States by a dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with rules under the U.S. Securities Act.
- (8) You acknowledge that the Registrar will not be required to accept for registration of transfer any Bonds except upon presentation of evidence satisfactory to us and the Trustee that the restrictions set out therein have been complied with.
- (9) You acknowledge that the Issuer, the Lead Manager, and others will rely upon the truth and accuracy of your acknowledgements, representations, warranties, and agreements and agree that if any of the acknowledgements, representations, warranties, and agreements deemed to have been made by your purchase of the Bonds are no longer accurate, you shall promptly notify the Issuer. If you are acquiring any Bonds as a fiduciary or agent for one or more investor accounts, you represent that you have sole investment discretion with respect to each such investor account and that you have full power to make the foregoing acknowledgements, representations, and agreements on behalf of each such investor account.
- (10) You understand that no action has been taken in any jurisdiction (including the United States) by the Issuer that would result in a public offering of the Bonds or the possession, circulation or distribution of this Offering Memorandum or any other material relating to us or the Bonds in any jurisdiction where action for such purpose is required. Consequently, any transfer of the Bonds will be subject to the selling restrictions set out herein.
- (11) Each purchaser that is acquiring notes pursuant to Regulation S under the Securities Act represents that it is not acquiring the notes with a view to the resale, distribution, or other disposition thereof to a U.S. person or in the United States.

Selling Restrictions

No action has been taken in any jurisdiction, including the United States, Canada, Spain, the United Kingdom, the EEA, Austria, Belgium, France, Germany, Italy, Luxembourg, Mauritius, the Netherlands, and Switzerland, by the Issuer or the Initial Purchasers that would permit a public offering of the Notes or the possession, circulation or distribution of this Offering Memorandum or any other material relating to the Issuer or the Notes in any jurisdiction where action for this purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Offering Memorandum nor any other offering material or advertisements in connection with the Notes may be distributed or published, in or from any country or jurisdiction, except in compliance with any applicable rules and regulations of any such country or jurisdiction. This Offering Memorandum does not constitute an offer to sell or a solicitation of an offer to purchase in any jurisdiction where such offer or solicitation would be unlawful. Persons into whose possession this Offering Memorandum comes are advised to inform themselves about and to observe any restrictions relating to the Offering, the distribution of this Offering Memorandum and resale of the Notes. See “*Notice to Investors*” and “*Transfer Restrictions*”.

PLAN OF DISTRIBUTION

The Lead Manager has, pursuant to subscription agreements dated 20th November 2022 between the Company and the Lead Manager (the “Subscription Agreements”), agreed with the Company, subject to the satisfaction of certain conditions, to use reasonable endeavors to procure subscribers for the principal amount of Bonds at 15% discount of their principal amount.

The Merchant Banker is GYR Capital Advisors Private Limited AND Leader is Aries Capital Ltd.

The Subscription Agreements entitle the Lead Manager to terminate the Subscription Agreements in certain circumstances prior to payment being made to the Company as set out therein. In such circumstances, the issue may be cancelled at any time until the Bonds are issued, and therefore the issuance and listing of the Bonds may not become effective.

The distribution of this Offering Memorandum or any offering material and the offering, sale or delivery of the Bonds is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Offering Memorandum or any offering material are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions. This Offering Memorandum may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

In connection with this offering, the Lead Manager (or its affiliates) may, for its own accounts, enter into asset swaps, credit derivatives or other derivative transactions relating to the Bonds or the Shares at the same time as the offer and sale of the Bonds or in secondary market transactions. As a result of such transactions, the Lead Manager may hold long or short positions in such Bonds or derivatives or in the Shares. These transactions may comprise a substantial portion of the offering and no disclosure will be made of such positions.

The Company estimates that the Company’s portion of the total expenses of this offering will be below 4% of Size of Issuance of FCCB’s Principal amount.

The Lead Manager expects to deliver the Bonds against payment on or about the date specified in the last paragraph of the cover page of this Offering Circular. Payment for the Bonds will be made by investors through the Lead Manager in U.S. dollars in same day funds on the Closing Date.

The Lead Manager and its affiliates may, from time to time, engage in transactions with and perform services for the Company and/or its associated companies in the ordinary course of their business.

The Company has agreed to indemnify the Lead Manager against certain liabilities or to contribute to payments that the Lead Manager may be required to make because of any of those liabilities.

DESCRIPTION OF THE SHARES

Set forth below is certain information relating to the Company's share capital, including brief summaries of certain provisions of the Company's Articles of Association, the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956 of India (as amended) (the "SCRA") and certain related legislation of India, all as currently in effect.

General

As at , September 30, 2022 the Company's authorised share capital of Rs.75 million which consist of 75 million Shares each of Rs. 1 per share. All of the Company's issued and paid-up Shares are in registered form and substantially all are held in dematerialised form.

As at , September 30, 2022, 61,50,00,000 Shares have been issued and fully paid-up. The Shares of the Company is Listed on Bombay Stock Exchange and National Stock Exchange

Dividends

Under the Companies Act, unless the Board recommends the payment of a dividend, the shareholders at a general meeting have no power to declare any dividend. Subject to certain conditions laid down by Section 123 of the Companies Act 2013, no dividend can be declared or paid by a company for any financial year except out of the profits of the company in accordance with the provisions of the Companies Act or out of the profits of the company for any previous financial year(s) arrived at after providing for depreciation in accordance with the provisions of the Companies Act and remaining undistributed or out of both or out of moneys provided by the Central or State Government for payment of dividend in pursuance of a guarantee given by that government. Under the Company's Articles of Association, the shareholders at a general meeting may declare a lower, but not higher, dividend than that recommended by the Board. Dividends are generally declared as a percentage of the par value. The dividend recommended by the Board and approved by the shareholders at a general meeting is distributed and paid to shareholders in proportion to the paid-up value of their Shares as of the record date for which such dividend is payable. In addition, as permitted by the Company's Articles of Association, the Board may announce and pay interim dividends. Under the Companies Act, dividends can only be paid in cash to shareholders listed on the register of shareholders on the date which is specified as the "record date" or "book closure date" or to those shareholders keeping their shares in dematerialised form, a list of which is provided by the National Securities Depository Limited (the "NSDL") and the Central Depository Services (India) Limited (the "CSDL"). No shareholder is entitled to a dividend while any lien in respect of unpaid calls on any of his/her Shares is outstanding.

Any dividend declared shall be deposited in a separate bank account within five days from the date of the declaration of such dividend. Dividends must be paid within 30 days from the date of the declaration and any dividend which remains unpaid or unclaimed after that period must be transferred within seven days of the expiry of the 30-day period (mentioned aforesaid) to a special unpaid dividend account held at a scheduled bank. Any money which remains unpaid or unclaimed for seven years from the date of such transfer must be transferred by the Company to the Investor Education and Protection Fund established by the Government pursuant to which no claim shall lie against the Company or the Investor Education and Protection Fund. Directors of the company may be held criminally liable for any default of the provisions.

Pre-Emptive Rights and Alteration of Share Capital

Subject to the provisions of the Companies Act, the Company may increase its share capital by issuing new Shares. Such new Shares shall be offered to existing shareholders listed on the members' register on the record date in proportion to the amount paid-up on those Shares at that date. The offer shall be made by notice specifying the number of Shares offered and the date (being not less than 15 days from the date of the offer) after which the offer, if not accepted, will be deemed to have been declined. After such date, the Board may dispose of the Shares offered in respect of which no acceptance has been received, in such manner as they think most beneficial to the Company. The offer is deemed to include a right exercisable by the person concerned to renounce the Shares offered to him/her in favour of any other person provided that the person in whose favour such Shares have been renounced is approved by the Board in their absolute discretion.

Under the provisions of the Companies Act, new Shares may be offered to any persons whether or not those persons include existing shareholders if a special resolution to that effect is passed by the shareholders of the issuer in a general meeting.

The Company may, by ordinary resolution, from time to time, alter the Company's Memorandum of Association to subdivide the Shares for a larger amount than is fixed by the Memorandum of Association provided that the same proportionate liability shall continue on the Shares so reduced or increased as existed on the original Shares before such

subdivision or consolidation, or it may cancel Shares which, at the date of passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of Shares cancelled.

The Company's issued share capital may, among other things, be increased by the exercise of warrants attached to any of the Company's securities, or individually issued, entitling the holder to subscribe for the Company's shares or upon the conversion of convertible debentures issued. The issue of any convertible debentures or the taking of any convertible loans, other than from the Government and financial institutions, requires the approval of a special resolution of shareholders.

The Company can also alter its share capital by way of a reduction of its capital or by undertaking a buyback of its shares under the prescribed SEBI guidelines. The Company's Articles of Association provide that the Company may in a general meeting, from time to time increase its capital by the creation of new shares and may consolidate or sub-divide its share capital, convert all or any of its fully paid-up Shares into stock and reconvert that stock into fully paid-up Shares or cancel Shares which have not been taken up by any person. The Company may also from time to time by special resolution reduce its capital and pay capital on the grounds that it may be called up again or otherwise.

The Company's Articles of Association also provide that if at any time the Company's share capital is divided into different classes of shares, the rights attached to any one class (unless otherwise provided by the terms of issue of the shares of that class) may be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution, passed at a separate meeting of the holders of the shares of that class.

Preference Shares

Preference share capital is that part of the paid-up capital of the company which fulfils both of the following requirements, namely:

- (i) that as respects dividends, it carries or will carry a preferential right to be paid a fixed amount or an amount calculated at a fixed rate; and
- (ii) that as respects capital, it carries or will carry on a winding-up of the company, a preferential right to be repaid the amount of the capital paid up or deemed to have been paid-up.

The preference shares do not confer any further rights to participate in the Company's profits or assets. Holders of preference shares are not entitled to vote at the Company's general meetings except:

- (A) in relation to resolutions placed before the company that directly affect the rights attached to the holder's preference shares and/or
- (B) where the dividend due on such capital has remained unpaid:
 - (i) in the case of cumulative preference shares, in respect of an aggregate period of not less than two years preceding the date of commencement of the meeting; and
 - (ii) in the case of non-cumulative preference shares, either in respect of a period of not less than two years or in respect of an aggregate period of not less than three years comprised in the six years ending with the expiry of the financial year immediately preceding the commencement of the meeting.

Under the Companies Act, the Company may issue redeemable preference shares, but (i) no such shares shall be redeemed except out of the profits which would otherwise be available for dividends or out of the proceeds of a fresh issue of shares made for the purposes of the redemption; (ii) no such shares shall be redeemed unless they are fully paid; (iii) the premium, if any, payable on redemption shall have been provided for out of the Company's profits or out of the Company's securities premium account, before the shares are redeemed; (iv) where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall be transferred, to a reserve fund to be called the Capital Redemption Reserve Account, out of profits which would otherwise have been available for dividends, a sum equal to the nominal amount of the shares redeemed; and (v) the provisions of the Companies Act relating to the reduction of the share capital of a company shall apply as if such reserve account were paid-up share capital of such company. Preference shares must be redeemable before the expiry of a period of 20 years from the date of their issue.

General Meetings of Shareholders

The Company must hold its annual general meeting each year within 15 months of the previous annual general meeting and in any event not later than six months after the end of each accounting year, unless extended by the Registrar of Companies at the Company's request for any special reason. The Board may convene an extraordinary general meeting

of shareholders when necessary or at the request of a shareholder or shareholders holding in the aggregate not less than 10.0% of the Company's paid-up capital (carrying a right to vote in respect of the relevant matter on the date of the deposit of the requisition).

Written notices convening a meeting setting out the date, place and agenda of the meeting must be given to members at least 21 days prior to the date of the proposed meeting. A general meeting may be called after giving shorter notice if consent is received from all shareholders, in the case of an annual general meeting, and from shareholders holding not less than 95.0% of the Company's paid-up capital, in the case of any other general meeting. Currently, the Company gives written notices to all members and, in addition, give public notice of general meetings of shareholders in a daily newspaper of general circulation in New Delhi. General meetings are generally held in New Delhi. The quorum for a general meeting of the Company is five shareholders personally being present.

A company intending to pass a resolution relating to matters such as, but not limited to, amending the objects clause of the Memorandum, issue of shares of differential voting rights as to voting or dividend or otherwise, variation in the rights attached to a class of shares or debentures or other securities, buyback of shares under the Companies Act or giving loans or extending guarantees in excess of limits prescribed under the Companies Act and guidelines issued thereunder, is required to obtain passage of the resolution by means of a postal ballot instead of transacting the business in the general meeting of the company. A notice to all shareholders shall be sent along with a draft resolution explaining the reasons thereof and requesting each shareholder to send his/her assent or dissent in writing on a postal ballot within a period of 30 days from the date of posting the letter. Postal ballot includes voting by electronic mode.

Voting Rights

At a general meeting, upon a show of hands, every member holding shares and entitled to vote and present in person has one vote. Upon a poll, the voting rights of each shareholder entitled to vote and present in person or by proxy, are in the same proportion as the capital paid-up on each share held by such shareholder to the total paid-up capital of the company. Voting is by show of hands unless a poll is ordered by the Chairman of the meeting or demanded by a shareholder or shareholders holding at least 10.0% of the voting rights in respect of the resolution. The Chairman of the meeting has a casting vote.

Ordinary resolutions may be passed by simple majority of those present and voting at any General Meeting for which the required period of notice has been given. Special resolutions require that the votes cast in favour of the resolution by those present and voting must be at least three times the votes cast against the resolution. Under the Companies Act some of the matters that require special resolution are amendment to the Articles of Association, members voluntary winding up, dissolutions, merger, or consolidation.

A shareholder may exercise his voting rights by proxy to be given in the form required by the Articles of Association of the company. The instrument appointing a proxy is required to be lodged with the company at least 48 hours before the time of the meeting. A shareholder may, by a single power of attorney, grant a general power of representation regarding several general meetings of shareholders. Any shareholder of the company may appoint a proxy. A corporate shareholder is also entitled to nominate a representative to attend and vote on its behalf at general meetings. A proxy may not vote except on a poll and does not have a right to speak at meetings. A shareholder which is a legal entity may appoint an authorised representative who can vote in all respects as if a member both by show of hands and by poll.

The Companies Act allows for a company to issue shares with differential rights as to dividends, voting or otherwise, subject to certain conditions. In this regard, the laws require that, for a company to issue shares with differential voting rights: (i) the company must have had distributable profits (in accordance with the requirements of the Companies Act) for the three financial years preceding the year in which it was decided to issue such shares; (ii) the Company must not have defaulted in filing annual accounts and annual returns for the three financial years immediately preceding the financial year of the year in which it was decided to issue such shares; (iii) the Articles of Association must allow for the issuance of such shares with differential voting rights; and (iv) such other conditions set forth in the Companies (Issue of Share Capital with Differential Voting Rights) Rules, 2001.

Registered holders of the Shares withdrawn from the depository arrangements will be entitled to vote and exercise other direct shareholder rights in accordance with applicable Indian law.

Convertible Securities/Warrants

The Company may from time to time issue debt instruments that are partly or fully convertible into Shares and/or warrants to purchase Shares.

Annual Reports and Financial Results

The Annual Report must be laid before the annual general meeting. This report includes certain financial information, a corporate governance section and management's discussion and analysis. It is sent to the Company's shareholders, and also made available for inspection at the Company's registered office during normal working hours for 21 days prior to the annual general meeting.

Under the Companies Act, the Company must file its Annual Report with the Registrar of Companies within 30 days from the date of the relevant annual general meeting. Under the Listing Agreement, six copies of the Annual Report and of all periodical and special reports which may be issued by the company are required to be sent to the stock exchanges on which the Company's Shares are listed and one copy to all other recognised stock exchanges in India. The Company must also publish its financial results in at least one English language daily newspaper circulating in the whole or substantially the whole of India and also in a newspaper published in the language of the region where the Company's registered office is situated.

The Company files certain information online, including its Annual Report, quarterly financial statements, report on corporate governance and the shareholding pattern statement, statement of action taken against the company by any regulatory agency and such other statements/information/report as may be specified by SEBI from time to time in accordance with the requirements of the Listing Agreement.

Transfer of Shares

Following the introduction of the Depositories Act, 1996, and the repeal of Section 22A of the SCRA, which enabled companies to refuse to register transfers of shares in some circumstances, the equity shares of a public company became freely transferable, subject only to the provisions of Section 59 of the Companies Act. Since the Company is a public company, the provisions of Section 59 will apply to the Company. The Company's Articles of Association currently contain provisions which give the Company's Board discretion to refuse to register a transfer of shares in some circumstances. However, the enforceability of such a provision is uncertain. Furthermore, in accordance with the provisions of Section 59 of the Companies Act, the Company's Board may refuse to register a transfer of shares within two months from the date on which the instrument of transfer or intimation of transfer, as the case may be, is delivered to the company, if they have sufficient cause to do so. If the Company's Board refuses to register a transfer of Shares, the shareholder wishing to transfer his, her or its shares may file an appeal with the National Company Law Tribunal and the National Company Law Tribunal can direct the company to register such transfer.

Pursuant to Section 59(4), if a transfer of shares contravenes any of the provisions of the Securities and Exchange Board of India Act, 1992 or any other law for the time being in force, the Tribunal may, on an application made by the depository, company, depository participant, the holder of the securities or the Securities and Exchange Board, direct any company or a depository to set right the contravention and rectify its register or records concerned.

Shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by the SEBI. These regulations provide for the functioning of the depositories and the participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. Transfers of beneficial ownership of shares held through a depository are exempt from stamp duty. The Company has entered into an agreement for such depository services with the NSDL and the CSDL.

The SEBI requires that for trading and settlement purposes, the Company's Shares be in book-entry form for all investors, except for transactions that are not made on a stock exchange and transactions that are not required to be reported to the stock exchange.

Pursuant to the Listing Agreement, in the event the Company has not affected the transfer of Shares within one month or where the Company has failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of one month, the Company is required to compensate the aggrieved party for the opportunity loss caused during the period of the delay.

Acquisition of the Company's Own Shares

The Company is prohibited from acquiring its own shares unless the consequent reduction of capital is effected by an approval of at least 75.0% of its shareholder's voting on the matter in accordance with the Companies Act and is also sanctioned by the High Court of Judicature at New Delhi (that is, the city where the Company's registered office is situated). Moreover, subject to certain conditions, a company is prohibited from giving whether directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any shares in the company or its holding company.

However, pursuant to certain amendments to the Companies Act, a company is empowered to purchase its own shares or other specified securities out of its free reserves, the securities premium account or the proceeds of any shares or other specified securities (other than the kind of shares or other specified securities proposed to be bought back), subject to certain conditions, including:

- (i) the buyback should be authorised by the Company's Articles of Association;
- (ii) a special resolution should have been passed in a general meeting authorizing the buyback;
- (iii) the buyback is for less than 25.0% of the total paid-up capital and free reserves provided that the buyback of equity shares in any financial year shall not exceed 25.0% of the total paid-up equity share capital in that year;
- (iv) the debt (including all amounts of unsecured and secured debt) the Company owes is not more than twice the capital and free reserves after such buyback; and
- (v) the buyback is in accordance with the Securities and Exchange Board of India (Buyback of Securities) Regulation, 2018.

The condition mentioned in (ii) above would not be applicable if the buyback is for less than 10.0% of the total paid-up equity capital and free reserves of the company and provided that such buyback has been authorised by the board of directors of the company. Further, a company buying back its securities is not permitted to buyback any securities for a period of one year from the buyback or to issue new securities for six months from the buyback date. The aforesaid restriction relating to the one year period does not apply to a buyback authorised by a special resolution of the shareholders in general meeting. Every buyback has to be completed within a period of one year from the date of passing of the special resolution or resolution of the Board of directors as the case may be.

A company buying back its securities is required to extinguish and physically destroy the securities so bought back within seven days of the last date of completion of the buyback.

A company is also prohibited from purchasing its own shares or specified securities through any subsidiary company, including its own subsidiary companies or through any investment company (other than a purchase of shares in accordance with a scheme for the purchase of shares by trustees of or for shares to be held by or for the benefit of employees of the company) or if the company is defaulting on the repayment of deposit, redemption of debentures or preference shares or payment of dividend to a shareholder or repayment of any term loan or interest payable thereon to any financial institution or bank, or in the event of non-compliance with certain other provisions of the Companies Act.

The buyback of securities can be from existing security holders on a proportionate basis or from the open market or from odd lots, that is to say, where a lot of securities of a public company, whose shares are listed on a recognised stock exchange, is smaller than such marketable lot, as may be specified by the stock exchange or by purchasing securities issued to the employees of the company pursuant to a scheme of stock option or sweat equity.

Disclosure of Ownership Interest

Section 89 of the Companies Act requires beneficial owners of shares of Indian companies who are not holders of record to declare to the company details of the holder of record and the holder of record to declare details of the beneficial owner. Any person who fails to make the required declaration within 30 days may be liable for penalty. Any charge, promissory note or other collateral agreement created, executed, or entered into with respect to any share by the registered owner thereof, or any hypothecation by the registered owner of any share pursuant to which a declaration is required to be made under Section 89 shall not be enforceable by the beneficial owner or any person claiming through the beneficial owner if such declaration is not made. Failure to comply with Section 89 will, inter alia, not affect the obligation of the company to register a transfer of shares or to pay any dividends to the registered holder of any shares pursuant to which such declaration has not been made.

CERTAIN INDIAN TAX CONSIDERATIONS

The following discussion describes the material Indian income tax, stamp duty and estate duty consequences of the purchase, ownership and disposal of the Bonds and the Shares to be issued upon conversion of the Bonds. The Income Tax Act, 1961 (the “IT Act”) is the law relating to taxation of income in India. The IT Act provides for the taxation of persons resident in India on their global income and persons not resident in India on income received, accruing, or arising in India or deemed to have been received, accrued, or arisen in India.

This summary is not intended to constitute a complete analysis of the Indian tax consequences to any particular individual holding a status of Non-Resident as per the Indian Income Tax Act. Individual tax consequences of an investment in the Offering may vary for Non-Residents in various circumstances. Further, the following is based on the provisions of Indian tax laws as of the date hereof, which are subject to change, possibly on a retroactive basis.

YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF BONDS AND THE UNDERLYING EQUITY SHARES IN YOUR PARTICULAR SITUATION AND THE JURISDICTION OF YOUR RESIDENCE AND ANY TAX TREATY BETWEEN INDIA AND YOUR COUNTRY OF RESIDENCE.

The information provided below has been prepared in accordance with the following Indian Income tax legislation in force at the date of this Offering Memorandum:

Taxation of the Bonds/Notes

The offering is in accordance with Section 115AC of the IT Act, 1961, and non-resident Investors of the Bonds will therefore have the benefit of tax concessions available under the Section 115AC of the IT Act are subject to the fulfillment of certain conditions of that section. Such tax concessions include taxation at a reduced income tax rate of 10 per cent, (which will then subject to the applicable rate of surcharge on income tax and education cess on income tax and surcharge having regard to fact that the person is a corporate or non-corporate assessee) on the amount of interest on bonds or long term capital gain arising on transfer of Bonds.

Section 115AC of the IT Act provides that payment of interest on the Bonds paid to the non-resident Bondholders will be subject to withholding tax at the rate of 10 per cent plus surcharge (if applicable) and education cess at the applicable rate. The IT Act requires that such tax be withheld at source. Under Section 47(viia) of the IT Act, the transfer of Bonds outside India by a non-resident holder to another non-resident shall not give rise to any capital gains tax in India.

Taxation of Shares Issued upon Conversion of Bonds/Notes

Under Section 47(x) of the IT Act any conversion of Bonds into Shares will not give rise to any capital gains liable to income tax in India. However, the issue of Shares by the Company upon conversion of Bonds will be chargeable to stamp duty as described below under “Stamp Duty”.

Taxation of Dividends on the Shares

Section 10(34) of Income Tax Act, which provides an exemption to the shareholders in respect of dividend income, is withdrawn from Assessment Year 2021-20. Thus, dividend received during the budget year 2020-21 and onwards shall now be taxable in the hands of the shareholders. Consequently, Section 115BBDA which provides for taxability of dividend in excess of Rs. [] million has no relevance as the entire amount of dividend shall be taxable in the hands of the shareholder.

TDS shall be deducted at the rate of 10% from dividend distributed to the resident individual shareholder if amount of dividend to such shareholder in aggregate in that year is more than Rs. [] million.

Issue of Right Shares

Distribution to non-residents of additional shares or rights to subscribe for Shares (for the purposes of this section, “Rights”) made with respect to shares are not subject to Indian tax unless those rights are transferred.

Benefits available to Non-Resident Indians

Non-Resident Indians have an option to be governed by the special provisions of Chapter XIIA of the IT Act, according to which:

1. Under provisions of section 115F of the IT Act, long term capital gains (in cases not covered under section 10(38) of the IT Act) arising to a non-resident Indian, as defined in Clause (e) of Section 115C, from the transfer of shares of the Company subscribed to in convertible foreign exchange (in cases not covered under section 115E of the IT Act) shall be exempt from Income tax if the net consideration is invested in specified assets within six months after the date of transfer. If only part of the net consideration is so invested, the exemption shall be proportionately reduced. However the benefit is subject to the conditions regarding holding period specified under sub section 2 of Section 115F of the IT Act.
2. Under Section 115G of the IT Act, it shall not be necessary for the non-resident Indians to furnish their return of income, under section 139(1) of the IT Act, if their source of income is only investment income or income by way of long term capital gains or both, provided income tax deductible at source under the provisions of chapter XVII-B has been deducted from such income.
3. Under Section 115H of the IT Act, the benefit conferred on a non-resident Indian assessee will be available even after the assessee becomes a resident if declaration in writing is filed along with the return of income under Section 139(1) of the IT Act, to the effect that the provisions of Chapter XII-A shall continue to apply to him in respect of investment income derived from foreign exchange asset vide Section 115C(f)(ii)(iii)(iv) or (v) of the IT Act, until the transfer or conversion (otherwise than by transfer) into money of such assets.
4. Under Section 115-I of the IT Act, a non-resident Indian, if he elects by so declaring in the return of his income for that assessment year, not to be governed by the special provisions of chapter XII-A, then he will be entitled to tax benefit available to resident individuals.

For the purpose of computing capital gains tax on the sale of the Shares under the Section 115AC of IT Act, the cost of acquisition of the shares will be treated as the cost of acquisition of bond before conversion of bonds into shares.

Neither the Section 115AC of IT Act nor the FCCB Scheme deals with capital losses arising on a transfer of Shares in India. In general terms, losses arising from a transfer of a capital asset in India can only be set off against capital gains. A long-term capital loss can be set off only against a long term capital gain (if not exempt) and short term capital loss can be set off against any capital gain. To the extent that the losses are not absorbed in the year of transfer, they may be carried forward for a period of eight assessment years immediately succeeding the assessment year for which the loss was first determined by the assessing authority and may be set off against the capital gains assessable for such subsequent assessment years. In order to set off capital losses as above, the non-resident investor would be required to file appropriate and timely tax return in India and may undergo the usual assessment procedures.

Tax Credit

A non-resident investor would be entitled to tax credit with respect to any withholding tax paid by the Company or any other person for its account in accordance with the laws of the applicable jurisdiction.

Tax Treaties

The provisions of the Agreement for Avoidance of Double Taxation entered into by the Indian Government with the country of residence of such non-resident investor will be applicable to the extent they are more beneficial to the non-resident investor.

Stamp Duty

Under the laws of India, the transfer of shares in physical form would be subject to stamp duty at the rate of 0.25 per cent. Of the market value of the shares, and such stamp duty customarily is borne by the transferee, that is, the purchaser. In order to register a transfer of Shares in physical form, it is necessary to present a stamped deed of transfer. However, since the Company's Shares are compulsorily deliverable in dematerialised form (except for trades of up to 500 Shares, which may be delivered in physical form) there would be no stamp duty payable in India on transfer of the Shares in dematerialised form. There is no stamp duty liability on the sale or transfer of Bonds.

Education Cess

In all the above cases, the amount of income tax and surcharge as stated would be increased by an education cess of 3 per cent.

Taxation on buyback of Shares

If Shares held by a non-resident investor are purchased by the Company, the non-resident investor will be liable to pay income tax in respect of the capital gains arising on such buyback under the provisions of Indian tax laws and capital gains tax arising there from shall be withheld at source before repatriation of sale proceeds from India.

SECTION –LEGAL AND OTHER INFORMATION
OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no (i) outstanding criminal proceedings (ii) outstanding actions taken by regulatory or statutory authorities; (iii) outstanding claims related to any direct or indirect taxes in a consolidated manner; (iv) other pending litigation/ arbitration proceedings as determined to be material by our Board as per the Materiality Policy, in each case involving our Company, each of our Subsidiaries, Promoters or Directors (“**Relevant Parties**”); or (v) outstanding litigation involving each of our Group Companies which has a material impact on our Company. Further, except as stated in this section, there are no disciplinary actions including penalties imposed by SEBI or stock exchanges against our Promoters in the last five Fiscals including any outstanding action.

For the purposes of (iv) above, in terms of the Materiality Policy adopted by resolution of our Board.

- A. Any pending litigation / arbitration proceedings (other than litigations mentioned in point (i) to (iii) above) involving any of the Relevant Parties shall be considered “material” for the purposes of disclosure in this Offering Memorandum, if:
- i. the aggregate monetary the aggregate monetary claim/dispute amount/ liability made by or against the Relevant Party, in any such pending litigation / arbitration proceeding is equal to or in excess of 1% of consolidated restated turnover or 1% of consolidated restated profit after tax, whichever is lower, as per the latest fiscal year in the Restated Consolidated Financial Information. The total income of our Company for the Fiscal 2022 is ₹ 1454.35 lacs and Restated profit/(loss) for the year for the Fiscal 2022 is ₹ 1454.35 lacs and accordingly, all litigation involving the Company, Directors, Promoters, and the Subsidiaries in which the amount involved exceeds ₹ 100,000.00 have been considered as material, if any; or
 - ii. *any monetary liability is not quantifiable, or which does not fulfil the threshold as specified in A(i) above, but the outcome of which could, nonetheless directly or indirectly, or together with similar other proceedings, have a material adverse effect on the business, operations, performance, prospects, financial position or reputation of our Company and/or our Subsidiaries.*
- B. *Any pending litigation / arbitration proceedings (other than litigations mentioned in points (i) to (iii) above) involving any person other than the Relevant Parties shall be considered “material” for the purposes of disclosure in this Red Herring Prospectus, if the outcome of such litigation could have a material adverse effect on the business, operations, performance, prospects, financial position or reputation of the Company.*

It is clarified that for the purposes of the above, pre-litigation notices received by our Company, the Subsidiaries, Promoters, Directors from third parties (other than notices issued by statutory/regulatory/tax authorities or notices threatening criminal action) have not and shall not, unless otherwise decided by our Board, be considered as material litigation until such time that our Company, the Subsidiaries, Promoters, Directors, as the case may be, are impleaded as a defendant/s in proceedings before any judicial / arbitral forum.

Unless stated to the contrary, the information provided below is as of the date of this Offering Memorandum. All terms defined herein in a particular litigation disclosure pertain to that litigation only.

We have also disclosed matters relating to direct and indirect taxes involving the Relevant Parties in a consolidated manner giving details of number of cases and total amount involved in such claims.

Litigation involving our Company

Litigations against our Company

Actions by statutory or regulatory authorities

NIL

Civil Proceedings

NIL

Criminal proceedings

NIL

Litigations by our Company*Civil proceedings*

NIL

Criminal proceedings

NIL

Matters filed by our Bank under Section 138 of the Negotiable Instruments Act, 1881

S.No	Name of the party (Accused)	Amount Involved in Indian Rupees
1	Manohar Daguji Garud	2,47,000/-
2	Alka Mahadeo Nerukar	9,00,000/-
3	Himanshu B Mewani	13,00,000/-
4	Sayras K Iranee	50,00,000/-
5	Shavir S Iranee	50,00,000/-
6	Sheriyar K Iranee	50,00,000/-
7	Prasanna Saykhedkar	8,10,000
8	Jagdish D Tolliya	25,00,000/-
9	Dnyaneshwar A Shewale	6,30,000/-
10	Rohit Rao	11,56,432/-
11	Sheshrao LGorshette	8,67,774/-
12	Veerasha Shetty	53,60,850/-
13	Gaytrri Devi Agrawal	19,00,000/-
14	Pawan v Narang	12,50,000/-
15	Kirti V Sethi	12,50,000/-
	Total	3,31,72,056/-

Litigation involving our Subsidiaries*Litigations against our Subsidiaries*

NIL

Actions by statutory or regulatory authorities

NIL

Civil proceedings

NIL

Criminal proceedings

NIL

Litigations by our Subsidiaries*Civil proceedings*

NIL

Criminal proceedings

NIL

Litigation involving our Promoters*Actions by statutory or regulatory authorities*

NIL

Civil proceedings

NIL

Criminal litigation

NIL

Disciplinary action taken against our Promoters in the five Fiscals preceding the date of this Red Herring Prospectus by SEBI or any stock exchange

NIL

Litigation involving our Directors*Actions by statutory or regulatory authorities*

NIL

Civil proceedings

NIL

Criminal litigation

NIL

Litigation involving the Group Companies

As on the date of this Red Herring Prospectus, there is no pending litigation involving our Group Companies which will

have a material impact on our Company.

Tax proceedings

Set out herein below are details of claims relating to direct and indirect taxes involving our Company, Subsidiaries, Promoters and Directors.

Nature of Cases	Number of cases	Amount involved (in ₹ Lakhs)
<i>Company</i>		
Direct	6	484.10
Indirect	NIL	NIL
<i>Directors</i>		
Direct	NIL	NIL
Indirect	NIL	NIL
<i>Promoters</i>		
Direct	NIL	NIL
Indirect	NIL	NIL
<i>Subsidiaries</i>		
Direct	NIL	NIL
Indirect	NIL	NIL

Micro, small and medium enterprises or any other creditors

As of the date of this Offering Memorandum, there are no outstanding dues (trade payables) owed to micro, small and medium enterprises. Further, our Company does not have any creditors

LIMITED REVIEW REPORT

INDEPENDENT AUDITORS

The standalone financial statements of the Issuer as of and for each of the years ended March 31, 2020, 2021 and 2022 included in this Offering Memorandum have been audited by Sharp Aarth & Co, Chartered Accountants independent auditors, as stated in their reports appearing herein. Sharp Aarth & Co, Chartered Accountants is registered with the Institute of Chartered Accountants of India under number (Firm Registration No. 132748W and has its registered address at registered address at 68, 6th Floor, Business Day, Shri Hari Kute Marg, Tidke Colony, Nashik, Maharashtra – 422002

SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

The enforcement by investors of civil liabilities under the securities laws of jurisdictions outside India, including the ability to effect service of process and to enforce judgments of foreign courts may be affected adversely by the fact that the Company is incorporated as a limited liability company under the laws of India and a majority of the Company's executive officers, Directors and all of the experts named in this Offering Memorandum, are residents of India. A substantial part of the Company's assets and the assets of all of its executive officers, Directors and all of experts named in this Offering Memorandum, are also located in India. As a result, it may be difficult to effect service of process outside India upon the Company and these persons or to enforce foreign judgments obtained against the Company and these persons, including judgments predicated upon the civil liability provisions of the federal securities laws of the United States.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Indian Code of Civil Procedure, 1908, and subsequent amendments thereto (the "Civil Code"). Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court in any country or territory outside India which the Government has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. Section 44A of the Civil Code is applicable only to monetary decrees not being in the nature of amounts payable in respect of taxes or other charges of like nature or in respect of fines or other penalties and does not include arbitration awards, even if such awards are enforceable as a decree or judgment. Certain territories which inter alia include, The United Kingdom, Luxembourg, and Hong- Kong have been declared by the Government to be reciprocating territories within the meaning of Section 44A of the Civil Code. The United States and Luxemburg have not been declared by the Government to be a reciprocating territory for the purposes of Section 44A.

In the case of reciprocating territories, a judgment of a court outside India may be enforced either by initiating execution proceedings pursuant to Section 44A of the Civil Code or by a suit upon it. However, in the case of a non-reciprocating territory such as the United States and Luxemburg, a judgment of a court outside India may be enforced in India only by a suit upon the judgment, subject to Section 13 of the Civil Code and not by proceedings in execution. Section 13, which is the statutory basis for the recognition of foreign judgments (other than arbitration awards), states that a foreign judgment is conclusive as to any matter directly adjudicated upon except:

- Where the judgment has not been pronounced by a court of competent jurisdiction;
- Where the judgment has not been given on the merits of the case;
- Where the judgment appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognise the law of India in cases where such law is applicable;
- Where the proceedings in which the judgment was obtained were opposed to natural justice;
- Where the judgment has been obtained by fraud; or
- Where the judgment sustains a claim founded on a breach of any law in force in India.

The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. Generally, there are considerable delays in the disposal of suits by Indian courts. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with Indian practice. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI under FEMA to repatriate any amount recovered. We cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

LISTING AND GENERAL INFORMATION

Listing

Application will be made for the Bonds to be admitted to AFRINEX, Mauritius and to be admitted for listing on the ASL, in accordance with the rules of that exchange.

For so long as the Bonds are admitted to listing on the Securities List of AFRINEX, Mauritius and the rules of that exchange require, copies of the following documents may be inspected and obtained free of charge at the specified office of the Paying Agent and Company's registered office during normal business hours on any weekday:

- the organizational documents of the Issuer;
- the most recent audited standalone financial statements of the Issuer; and
- the Trust Deed.
- Agency Agreement
- A copy of the Offering Memorandum

The issuer shall ensure that notices in respect of the Bonds are duly published in a manner which complies with the rules and regulations of AFRINEX and the rules of Afrinex, Mauritius so require, notices will also be published on the website of AFRINEX, Mauritius. Any such notice shall be in English and shall be deemed to have been given on the date of such publication, or if published more than once or on different dates, on the first date on which publication is made.

We have appointed SBM Fund Services Limited, as our paying agent; its address is SBM Tower 1, Queen Elizabeth II Avenue, Port Louis, Mauritius]

The issue of the Bonds was authorised by a special resolution of the Shareholders of the Company passed through E- Voting on August 7, 2021. The terms of the offering and the issue of the Bonds were approved by resolutions of the Company's Board of Directors passed on May 31, 2021 and April 11, 2022.

Except as disclosed in this Offering Memorandum, we have not been involved in any governmental, legal or arbitration proceeding relating to claims or amounts that are material and may have or have had during the 12 months preceding the date of this Offering Memorandum, a significant effect on our financial condition nor so far as we are aware is any such litigation or arbitration pending or threatened.

As of the date of this Offering Memorandum, the most recent audited standalone financial statements available for the Issuer were as of and for the year ended March 31, 2022. Except as disclosed in this Offering Memorandum, there has been no significant or material adverse change in our financial condition or prospects since March 31, 2022.

The Trustee/RTA will be acting in its capacity of trustee for the holders of the Bonds and will provide such services to the holders of the Bonds as described in the Trust/RTA Deed.

Clearing Information

The Bonds have been accepted for clearance through the facilities of Afrinex Clearing House Limited. Certain trading information with respect to the Bonds is set forth below.

ISIN. - MU0000000263

General Information

1. The Company was incorporated under the Companies Act in India and is registered with the Registrar of Companies, Maharashtra at Mumbai. The Company's corporate identity number is L45400MH2007PLC174194. The Company's registered office is situated at 2nd Floor, Gulmohar Status Above Business Bank, Samarth Nagar Nashik, Maharashtra – 422005.

2. The Company's principal object being :-

1. To carry on all the business of builders, real estate-developers, contractors, subcontractors, dealers and by advancing money to and enter into contracts and arrangements of all kinds with builders, tenants, occupiers and others, land development, service apartments ,serviced plots, constructions of residential and commercial premises including business centers and offices, securing lands ,private or Government for formation and development of town ships, and to deal in and act as agents for lands ,buildings, factories, houses, .flats and other residential and commercial plots ,and construct/maintain and alter residential, commercial , industrial plots and properties and sale or lease them out by providing with all modern amenities and development thereof and securing capital, funds and raising loans for construction and advancing to other organizations for similar purposes.
2. To provide City and region level urban infrastructure facilities, to lay-out, develop, construct, build, acquire, erect, demolish, re-erect, alter, modify, repair, re-model, or to do any other work in connection with any building or building works, roads, highways, bridges, sewers, canals, wells, dams, power plants, reservoirs, tramways, railways, sanitary, water, gas, electric lights, telephonic and telegraphic works, and such purposes to prepare in designing, estimating, planning, modelling.
3. To carry on the business of construction, builders, contractors, engineers, colonizers, town planners, surveyors, values, appraisers, decorators, furnishers, manufacturers of prefabricated and pre casted houses, and to acts agents and contractors for the purposes of real estates, residential complexes / flats / enclave / commercial complexes / multi storied buildings etc., and to carry on all types of construction activities, and act as consultants, advisors, technical consultants, collaborators, designers and architects for all kinds of construction activities in India and abroad and to undertake all civil, mechanical, electrical works, all types of infrastructure facilities like BOOT (Built, Operate, Own and Transfer), BOT (Built, operate and Transfer), BOLT (Built, Operate, Lease and Transfer), BOO(Built, Operate and Own) in India or abroad either or its own or with joint venture with any other Indian or Foreign participant.
4. To carry on in India or elsewhere the business of prospecting, exploring, operating and working on mines, quarries and to win, set, crush, smelt, manufacture, process, excavate, dig, break, acquire, develop, exercise, turn to account, survey, produce, prepare, remove, undertake, barter, convert, finish, load, unload, handle, transport, buy sell, import, export, supply, and to act as agent, broker, stockiest, distributor, consultant, contractor, manager, operator or otherwise to deal in all sorts of presents and future ores, minerals, deposits, goods, substances & materials, including sands, stones, and soils

The objects are set out in Clause IIIA of the Memorandum of Association. The Company operates its business in conformity with its constitutional documents.

3. The Independent Auditors who have audited the Company's standalone financial statements for fiscal 2020, 2021 and 2022, have rendered audit reports in respect of the Company's financial statements which they have audited, and these audit reports are set out on pages 142 to 391. The qualifications referred to in their audit reports are shown in the Auditor's Reports contained in this Offering Memorandum.
4. The Company prepared its financial statements as at and for fiscal 2019, 2020 and 2021 and its financial statements as at and for the nine months ended on 31 December, 2021, each as contained herein, in conformity with Indian GAAP which differs in certain material respects from IFRS.
5. Except as disclosed in this Offering Memorandum, there has been no significant change in the Company's financial or trading position and no material adverse change in the Company's financial position or prospects since March 31, 2021
6. Except as disclosed in this Offering Memorandum, the Company is not involved in any material litigation or arbitration proceedings that may have, or have had during the 12 months preceding the date of this Offering Memorandum, a material adverse effect on the Company's financial position, nor, so far as the Company is aware, are there any such proceedings pending or threatened.
7. The Trust Deed, the Agency Agreement and the Bonds are governed by English law. The Company's submission to the jurisdiction of the English courts and the appointment of an agent for service of process are valid and binding under Indian law.
8. The Bonds provide for the Trustee to take action on behalf of the Bondholders in certain circumstances, but only if the Trustee is prefunded, indemnified and/or provided with security to its satisfaction. It may not be possible for the Trustee to

take certain actions and accordingly in such circumstances the Trustee will be unable to take such actions, notwithstanding the provision of an indemnity to it, and it will be for the Bondholders to take such actions directly. The Trustee may require any such indemnity to be given on joint and several basis.

9. The Trustee may rely without liability to Bondholders on any certificate prepared by the directors or authorised officers of the Company and accompanied by a certificate or report prepared by the auditors of the Company or an internationally recognized firm of accountants or any expert called for or provided to the Trustee pursuant to the Conditions and/or the Trust Deed satisfactory to the Trustee, whether or not addressed to the Trustee and whether or not the auditors of the Company or the internationally recognized firm of accountants' liability in respect thereof or the liability of any expert is limited by a monetary cap or otherwise limited or excluded. Any such certificate or report shall in the absence of manifest error be conclusive and binding on the Company, the Trustee, and the Bondholders.
10. For so long as the Bonds are listed on AFRINEX, Mauritius and the rules of the Afrinex Securities List so require, the Company will appoint and maintain a paying agent, where the Bonds may be presented or surrendered for payment or redemption, in the event that the Global Certificate is exchanged for Certificates in definitive form. In addition, in the event that the Global Certificate is exchanged for Certificates in definitive form, announcement of such exchange shall be made by or on behalf of the Company through the AFRINEX, Mauritius and such announcement will include all material information with respect to the delivery of the Certificates in definitive form.
11. The Conditions do not provide Bondholders with any participating rights in the event of a takeover offer for the Shares.
12. The address of the Company's website is <https://www.kardaconstruction.com/>. Information contained on this website does not constitute part of this Offering Memorandum.

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SHARPAARTH & CO LLP

CHARTERED ACCOUNTANTS

Limited Review Report on unaudited standalone financial results of KBC Global Limited for the quarter ended June 30, 2022 pursuant to Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

To the Board of Directors of
KBC Global Limited
(Earlier known as Karda Constructions Limited)

1. We have reviewed the accompanying Statement of unaudited standalone financial results of **KBC Global Limited** ('the Company') for the quarter ended June 30, 2022 ('the Statement') attached herewith.
2. This Statement, which is the responsibility of the Company's management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, "Interim Financial Reporting" ("Ind AS - 34"), prescribed under Section 133 of the Companies Act, 2013 ("the Act"), and other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52 of the Listing Regulations. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. The financial results include the Company's Share of Profit (net) INR 0.93 Lakhs for the quarter ended June 30, 2022, from its investment in partnership firms whose financial statements have not been reviewed by us. These financial statements have been reviewed 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.

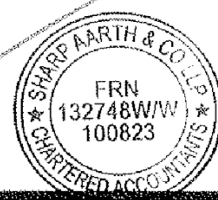
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Limited Review Report on unaudited quarterly standalone financial results of Karda Constructions Limited under Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Continued)

5. Attention is drawn to the fact that the figures for the three months ended March 31, 2022 as reported in these unaudited standalone financials results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.
6. Based on our review conducted as stated in paragraph 3 above and based on the consideration of the review reports of other auditors referred to in paragraph 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards i.e. Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Sharp Aarth & Co LLP
Chartered Accountants
Firm Registration No – 132748W / W100823 .


CA Vipul Lathi
Partner

Membership No.134897
UDIN: 22134897APEWTV4310



Place: Nashik
Date: August 17, 2022

KBC GLOBAL LIMITED
CIN : L45400MH2007PLC174194

Statement of Unaudited Standalone Financial Results for the Quarter Ended June 30, 2022

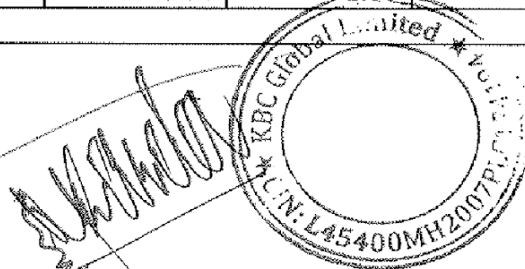
(INR in Lakhs)

Sr. No.	Particulars	Quarter Ended			Year Ended
		30.06.2022	31.03.2022	30.06.2021	31.03.2022
		(Unaudited)	Audited	(Unaudited) (Restated)	Audited
1	INCOME				
	(a) Revenue from Operations	1,440.48	2,112.65	2,574.43	10,164.52
	(b) Other Income	13.88	61.15	227.28	967.28
	Total Income	1,454.35	2,173.80	2,801.71	11,131.80
2	EXPENSES				
	(a) Cost of construction / development, land, plots and development rights	911.80	1,091.46	1,442.09	6,341.44
	(b) Employee Benefits Expense	72.74	72.16	65.88	265.47
	(c) Finance Costs	233.84	400.30	301.29	1,430.47
	(d) Depreciation and amortization expense	3.29	3.22	2.97	12.45
	(e) Selling Expenses	5.08	41.01	49.59	146.85
	(f) Other Expenses	108.73	253.49	74.65	535.36
	Total Expenses	1,335.47	1,861.65	1,936.46	8,732.04
3	Profit / (Loss) Before Exceptional Items and Tax (1-2)	118.88	312.15	865.25	2,399.76
4	Exceptional Items	-	-	-	-
5	Profit / (Loss) Before Tax (3-4)	118.88	312.15	865.25	2,399.76
6	Tax Expense Charge / (Credit)				
	(a) Current Tax	15.38	85.57	250.33	664.29
	(b) Deferred Tax	0.46	0.85	0.68	2.89
	Total Tax Expenses	15.85	86.41	251.01	667.18
7	Net Profit after Tax for the period (5-6)	103.03	225.74	614.24	1,732.57
8	Other Comprehensive Income				
	Items that will not be subsequently reclassified to profit or loss - Remeasurement of the defined benefit plan	(2.02)	(2.02)	(2.02)	(8.10)
9	Total Comprehensive Income / (Loss) for the period / year (7+8)	101.01	223.72	612.22	1,724.47
10	Paid-up Equity Share Capital Face Value - INR 2/- per share	6,150.00	6,150.00	6,150.00	6,150.00
10	Earning per Equity Share (EPS)* (Face value of Rs. 1 each)				
	Basic EPS	0.02	0.04	1.00	2.80
	Diluted EPS	0.02	0.04	1.00	2.80

* Not annualised, except year end Basic and Diluted EPS



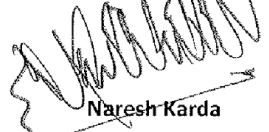
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Notes:

1. The above unaudited standalone financial results which are published in accordance with Regulation 33 and 52 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on August 17, 2022. The unaudited standalone financial results are prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under section 133 of the Companies Act, 2013.
2. The Statutory Auditors have carried out "Limited Review" of the financial results for the quarter ended on June 30, 2022.
3. The figures for the previous period (June 2021) have been re-stated for revenue recognition from Civil Contracting Business. The amount of un-billed revenue in respect of all the civil contracts have been recognized as income from operations, which were earlier classified under the Closing WIP of Civil Contracts.
4. The Company's business activity falls within a two business segment viz. 'Development of Real Estate Property' & 'Civil Contracting Business', the financial statements are reflective of the information required by Ind AS 108 "Operating Segments". The financial details of both the segments for the quarter ended on June 30, 2022 are given with these financial results.
5. The figures for the quarter ended March 31, 2022 are the balancing figures between audited figures in respect of full financial year and the published year to date figures upto the third quarter of the financial year ended March 31, 2022.
6. Since the nature of activities being carried out by the Company is such that profits / losses from certain transactions do not necessarily accrue evenly over the year, results of a quarter may not be representative of the profit / losses for the year.
7. Previous period figures have been regrouped, re-arranged and re-classified wherever necessary to conform to current period's classification.

By Order of the Board
For Karda Constructions Limited


Naresh Karda
Managing Director
DIN - 01741279



Place: Nashik

Date: August 17, 2022

Unaudited Standalone Segment wise Revenue, Results, Assets and Liabilities for the quarter ended June 30, 2022:

(INR in Lakhs)

Sr. No.	Particulars	Quarter Ended		Year Ended	
		30-Jun-22	31-Mar-22	30-Jun-21	31-Mar-22
		Unaudited	Audited	Unaudited	Audited
I	Segment Revenue				
	(a) Real Estate	841.04	550.34	1,075.67	4,471.47
	(b) Civil Contracting Business	599.44	1,562.31	1,498.76	5,693.05
	Total Segment Revenue	1,440.48	2,112.65	2,574.43	10,164.52
	Less: Inter segment revenue	-	-	-	-
	Net Income from Operations	1,440.48	2,112.65	2,574.43	10,164.52
II	Segment Results (Profit before unallocable (expenditure) / income, interest and finance charges and tax)				
	(a) Real Estate	256.18	-4.03	366.55	1,295.53
	(b) Civil Contracting Business	84.69	657.36	331.63	1,575.52
	Total Segment Results	340.87	653.33	698.18	2,871.05
	Add/(Less):				
	Less : Interest and Finance charges	233.84	400.30	58.19	1,430.47
	Add: Unallocated Income	13.88	61.15	227.28	967.28
	Less: Unallocated Expenses	2.02	2.02	2.02	8.10
	Profit Before Tax	118.88	312.15	865.25	2,399.76
III	Segment Assets				
	(a) Real Estate	29,710.65	30,072.12	30,839.71	30,072.12
	(b) Civil Contracting Business	1,134.99	1,108.03	455.85	1,108.03
	Total Segment Assets	30,845.64	31,180.15	31,295.56	31,180.15
	Add: Unallocated Assets	1,210.91	1,521.49	1,115.63	1,521.49
	Total Assets	32,056.54	32,701.64	32,411.19	32,701.64
	Segment Liabilities				
	(a) Real Estate	16,480.63	16,796.04	18,298.51	17,073.09
	(b) Civil Contracting Business	196.11	277.05	124.88	-
	Total Segment Liability	16,676.74	17,073.09	18,423.40	17,073.09
	Add: Unallocated Liabilities	1,309.07	1,658.82	1,116.28	1,658.82
	Total Liabilities	17,985.81	19,071.58	19,539.67	18,731.91

- (1) Unallocated income comprise of other income shown in the financial results
- (2) Unallocated expenses comprise of provision for gratuity and exceptional items shown in the financial results.
- (3) Unallocated assets primarily comprise of corporate investments and property, plant and equipment and deferred tax assets.



Limited Review Report on unaudited consolidated financial results of KBC Global Limited for the quarter ended June 30, 2022 pursuant to Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

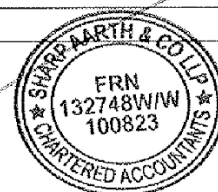
**To the Board of Directors of
KBC Global Limited
(Earlier known as Karda Constructions Limited)**

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of **KBC Global Limited** ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), for the quarter ended June 30, 2022 ('the Statement') attached herewith.
2. The Holding Company's Management is responsible for the preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, "Interim Financial Reporting" (Ind AS 34), prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 and 52 of the Listing Regulations. The Statement has been approved by the Holding Company's Board of Directors. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the following entities:

Name of the Entity	Relationship
KBC Global – FZCO, Dubai	Wholly Owned Subsidiary



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Limited Review Report on unaudited consolidated financial results of KBC Global Limited for the quarter ended June 30, 2022 pursuant to Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

5. Attention is drawn to the fact that the figures for the three months ended 31 March 2022 as reported in these unaudited consolidated financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.
6. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52(4) read with Regulation 63 of the Listing Regulations, as prescribed in Securities and Exchange Board of India operational circular SEBI/HO/DDHS/P/CIR/2021/613 dated 10 August 2021, including the manner in which it is to be disclosed, or that it contains any material misstatement.
7. The Statement also includes the Group's share of net profit of INR 0.93 Lakhs for the quarter ended June 30, 2022, from its investment in partnership firms whose financial statements have not been reviewed by us. These financial statements have been reviewed 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 conclusion is not modified in respect of this matter.

For Sharp Aarth & Co LLP

Chartered Accountants

Firm Registration No – 132748W/W/100823

CA Vipul Lathi

Partner

Membership No.134897

UDIN: 22134897APEWW38029



Place: Nashik

Date: August 17, 2022

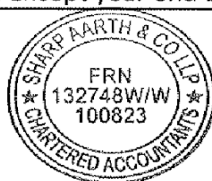
KBC GLOBAL LIMITED
CIN : L45400MH2007PLC174194

Statement of Unaudited Consolidated Financial Results for the Quarter Ended June 30, 2022

(INR in Lakhs)

Sr. No.	Particulars	Quarter Ended			Year Ended
		30.06.2022	31.03.2022	30.06.2021	31.03.2022
		(Unaudited)	Audited	(Unaudited) (Restated)	Audited
1	INCOME				
	(a) Revenue from Operations	1,440.48	2,112.65	2,574.43	10,164.52
	(b) Other Income	13.88	61.15	227.28	967.28
	Total Income	1,454.35	2,173.80	2,801.71	11,131.80
2	EXPENSES				
	(a) Cost of construction / development, land, plots and development rights	911.80	1,091.46	1,442.09	6,341.44
	(b) Employee Benefits Expense	72.74	72.16	65.88	265.47
	(c) Finance Costs	233.84	400.30	301.29	1,430.47
	(d) Depreciation and amortization expense	3.29	3.22	2.97	12.45
	(e) Selling Expenses	5.08	41.01	49.59	146.85
	(f) Other Expenses	109.03	260.72	74.65	542.59
	Total Expenses	1,335.78	1,868.88	1,936.46	8,739.27
3	Profit / (Loss) Before Exceptional Items and Tax (1-2)	118.58	304.92	865.25	2,392.52
4	Exceptional Items	-	-	-	-
5	Profit / (Loss) Before Tax (3-4)	118.58	304.92	865.25	2,392.52
6	Tax Expense Charge / (Credit)				
	(a) Current Tax	15.38	85.57	250.33	664.29
	(b) Deferred Tax	0.46	0.85	0.68	2.89
	Total Tax Expenses	15.85	86.41	251.01	667.18
7	Net Profit after Tax for the period (5-6)	102.73	218.51	614.24	1,725.34
8	Other Comprehensive Income				
	Items that will not be subsequently reclassified to profit or loss - Remeasurement of the defined benefit plan	(2.02)	(2.02)	(2.02)	(8.10)
9	Total Comprehensive Income / (Loss) for the period / year (7+8)	100.71	216.48	612.22	1,717.24
10	Paid-up Equity Share Capital Face Value - INR 1/- per share	6,150.00	6,150.00	6,150.00	6,150.00
10	Earning per Equity Share (EPS)* (Face value of Rs. 1 each)				
	Basic EPS	0.02	0.04	1.00	2.79
	Diluted EPS	0.02	0.04	1.00	2.79

* Not annualised, except year end Basic and Diluted EPS



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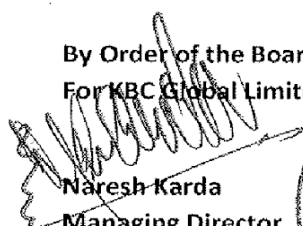
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Notes:

1. The above unaudited consolidated financial results which are published in accordance with Regulation 33 and 52(4) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended, have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on August 17, 2022. The above unaudited consolidated financial results have been subjected to "limited review" by the statutory auditors of the Company.
2. The unaudited consolidated financial results are in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013.
3. As the Group's business activity falls within a two business segment viz. 'Development of Real Estate Property' & 'Civil Contracting Business', the financial statements are reflective of the information required by Ind AS 108 "Operating Segments". The financial details of both the segment for the quarter ended June 30, 2022 is given with these financial results.
4. The figures for the quarter ended March 31, 2022 are the balancing figures between audited figures in respect of full financial year and the published year to date figures upto the third quarter of the financial year ended March 31, 2022.
5. The statutory auditors of KBC Global Limited have expressed an unqualified opinion on the unaudited consolidated financial results for the quarter ended June 30, 2022.
6. The figures for the corresponding previous period/year have been re-grouped / re-classified, wherever necessary.

By Order of the Board
For KBC Global Limited


Naresh Karda
Managing Director
DIN – 01741279



Place: Nashik

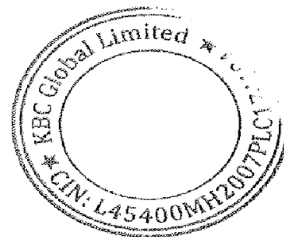
Date: August 17, 2022

Unaudited Segment wise Revenue, Results, Assets and Liabilities for the quarter ended June 30, 2022:

(INR In Lakhs)

Sr. No.	Particulars	Quarter Ended		Year Ended	
		30-Jun-22 Unaudited	31-Mar-22 Audited	30-Jun-21 Unaudited	31-Mar-22 Audited
I	Segment Revenue				
	(a) Real Estate	841.04	550.34	1,302.95	4,471.47
	(b) Civil Contracting Business	599.44	1,562.31	1,498.76	5,693.05
	Total Segment Revenue	1,440.48	2,112.65	2,801.71	10,164.52
	Less: Inter segment revenue	-	-	-	-
	Net Income from Operations	1,440.48	2,112.65	2,801.71	10,164.52
II	Segment Results (Profit before unallocable (expenditure) / income, interest and finance charges and tax)				
	(a) Real Estate	256.48	-4.04	609.65	1,288.29
	(b) Civil Contracting Business	84.69	657.36	331.63	1,575.52
	Total Segment Results	341.17	653.32	941.28	2,863.81
	Add/(Less):				
	Less : Interest and Finance charges	233.84	400.30	301.29	1,430.47
	Add: Unallocated Income	13.88	61.15	227.28	967.28
	Less: Unallocated Expenses	2.33	9.25	2.02	8.10
	Profit Before Tax	118.88	304.92	865.25	2,392.52
III	Segment Assets				
	(a) Real Estate	29,703.11	30,072.12	30,839.71	30,072.12
	(b) Civil Contracting Business	1,134.99	1,108.03	455.85	1,108.03
	Total Segment Assets	30,838.11	31,180.15	31,295.56	31,180.15
	Add: Unallocated Assets	1,210.91	1,521.49	1,115.63	1,521.49
	Total Assets	32,049.01	32,701.64	32,411.19	32,701.64
	Segment Liabilities				
	(a) Real Estate	16,480.63	16,796.04	18,298.51	17,073.09
	(b) Civil Contracting Business	196.11	277.05	124.88	-
	Total Segment Liability	16,676.74	17,073.09	18,423.40	17,073.09
	Add: Unallocated Liabilities	1,309.07	1,658.82	1,116.28	1,658.82
	Total Liabilities	17,985.81	19,071.58	19,539.67	18,731.91

- (1) Unallocated income comprise of other income shown in the financial results.
- (2) Unallocated assets primarily comprise of corporate investments and property, plant and equipment.
- (3) Unallocated liabilities include deferred tax liabilities.



Independent Auditor's Report on Standalone Financial Statements of KBC Global Limited for the year ended 31 March 2022

(Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" section of our report of even date) In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) Property, Plant and Equipments

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets including property, plant and equipment and investment properties and investment property under construction.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment including investment properties are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment and investment properties were physically verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year.
- (e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) In respect of Inventories

The inventory, comprising of raw materials and finished goods, has been physically verified by the management during the year except for raw material stocks lying with the third parties. In our opinion, the frequency of such verification is reasonable, and procedures and coverage as followed by management were appropriate.

In respect of stocks lying with third parties at the year end, written confirmations have been obtained. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory. The Company's inventory also includes construction work in progress and entitlement to Transferable Development Rights, to which the requirements under paragraph 3(ii) of the Order are not applicable.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crores rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks are not in agreement with the books of account of the Company.

(i) Loans granted

- (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has made investments, granted loans and advances in the nature of loans, secured or unsecured to companies, limited liability partnership and other parties in respect of which the requisite information is as below. The Company has not provided any guarantee or security, to companies, limited liability partnership or any other parties during the year.

(INR in Lakhs)

Particulars	Guarantees	Security	Loans	Advances in nature of loans
-------------	------------	----------	-------	-----------------------------

Aggregate amount during the year				
- Subsidiaries	-	-	5.89	-
- Joint Ventures	-	-	-	-
- Associates	-	-	-	-
- Others	-	-	-	-
Balance outstanding as at balance sheet date				
- Subsidiaries	-	-	5.89	-
- Joint Ventures	-	-	-	-
- Associates	-	-	-	-
- Others	-	-	-	-

The Company has not provided any security or advances in the nature of loans to any other entity during the year.

- (a) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made, guarantees provided during the year and the terms and conditions of the grant of loans and guarantees provided during the year are, prima facie, not prejudicial to the interest of the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans and advances in the nature of loans to any party during the year. Accordingly, provisions of clauses 3(iii)(c) to (f) of the Order are not applicable to the Company.

(iii) Loans, Investments, Guarantees and Security

According to the information and explanations given to us and on the basis of our examination of records of the Company, the company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") with respect of investments made and loans, guarantees provided by the Company. The Company has not provided any security in connection with a loan to any other body corporate or person and accordingly, compliance under Sections 185 and 186 of the Act in respect of providing securities is not applicable to the Company.

(i) Deposits

The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(ii) Cost records

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

(iii) Statutory Dues

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

According to the information and explanations given to us, undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Profession tax, Property Tax, Labour cess, Income-tax, Goods and Service tax, Cess and other material statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable consists of:

Sr. No.	Tax Payable	Amount (Rs.in Lakhs)
1	Provision for Income Tax (Gross)	1,160.61
2	TDS / TCS Payable	215.20

According to the information and explanations given to us, there are no dues of Income-tax, Sales tax, Service tax, Value added tax and Goods and Service tax as at 31 March 2022, which have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

Name of the statute	Nature of the dues	Period to which the amount relates	Demand Amount	Amount Paid	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	A Y 2014-15	1.50	1.50	Income Tax Appellate Tribunal (ITAT)
Income Tax Act, 1961	Income Tax	A Y 2015-16	36.13	36.13	
Income Tax Act, 1961	Income Tax	A Y 2015-16	16.39	-	CIT (Appeals)

(i) Undisclosed Income

According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(iv) Repayment of Loans and Borrowings

- (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies as defined under the Act.

(v) Initial Public Offer/ Further Public Offer

- (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x) (b) of the Order is not applicable.

(vi) Fraud

- (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act

has been filed by the auditors in Form AD1-4 as prescribed under Rule 15 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(d)

(vii) Nidhi Company

According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) a to c of the Order is not applicable.

(i) Related Party Transactions

In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(i) Internal Audit System

(a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(ii) Non-cash transactions with Directors

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

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

(a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) The Company is not part of any group as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016, as amended. Accordingly, the requirements of clause 3 (xvi) (d) are not applicable.

(iv) Cash Losses

The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(v) Resignation of Statutory Auditor

There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(vi) Material uncertainty on meeting liabilities

According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period

or one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(i) Corporate Social Responsibility

In our opinion and according to the information and explanations given to us, the company has spent Rs. 32.56 Lakhs as a CSR expenditure which is over and above of 2% of average net profit of the company for the preceding 3 years. Accordingly, there are no unspent CSR amount which is to be transferred to a Fund specified in Schedule VII to the Act.

(i) Consolidated Financial Statements

According to the information and explanations given to us and based on the reports issued by the auditors of the respective subsidiary included in the consolidated financial statements of the Company, to which reporting on matters specified in paragraph 3 and 4 of the Order is applicable, provided to us by the Management of the Company, we have not identified any qualifications or adverse remarks made by the auditors in their report on matters specified in paragraphs 3 and 4 of the Order.

For Sharp Aarth & Co LLP
Chartered Accountants

Firm Registration No – 132748W / W-100823

CA Vipul Lathi
Partner
Membership No.134897
UDIN: 22134897AKLNMS8892
Place: Nashik

Independent Auditors' report on the Standalone Financial Statements of KBC Global Limited for the period ended 31 March 2022.

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (Referred to in paragraph 2 (A) (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion: We have audited the internal financial controls with reference to standalone financial statements of KBC Global Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to standalone financial statements 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 (the "Guidance Note").

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

Auditor's Responsibility: Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. 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 with reference to standalone financial statements were established and maintained and whether 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 with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of such internal financial controls, 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 standalone 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 with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to Standalone Financial Statements: A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements include 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements: Because of the inherent limitations of internal financial controls with reference to standalone financial statements, 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 with reference to standalone financial statements to future

periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For Sharp Aarth & Co LLP

Chartered Accountants

**Firm Registration No – 132748W /
W- 100823**

CA Vipul Lathi

Partner

Membership No.134897

UDIN: 22134897AKLNMS8892

Place: Nashik

Date: 7 June, 2022

KBL GLOBAL LIMITED
CIN: L45400MH2007PLC174194
STANDALONE BALANCE SHEET AS ON MARCH 31, 2022
(INR in Lakhs)

Sr. No.	Particulars	Note No.	As at	As at
			March 31, 2022	March 31, 2021
	ASSETS			
1	Non-Current Assets			
	(a) Property, Plant and Equipment	3	94.71	101.24
	(b) Investment Properties	4	-	22.21
	(c) Financial Assets			
	(i) Investments	5(a)		
	- In Partnership Firms		0.35	0.22
	- In Others		32.09	30.03
	(ii) Loans & Advances	5(b)	2,610.08	1,287.98
	(iii) Other Financial Assets	5(c)	5,014.43	4,088.44
	(d) Deferred Tax Assets (Net)	6	14.71	17.61
	(e) Other Non-Current Assets	7	40.10	40.10
	Total Non-Current Assets		7,806.48	5,587.83
2	Current Assets			
	(a) Inventories	8	11,817.04	12,399.91
	(b) Financial Assets			
	(i) Investments	5(a)	2,828.81	5,570.98
	(ii) Trade Receivables	5(d)	8,315.16	5,754.78
	(iii) Cash and Cash Equivalents	5(e)	48.80	36.79
	(iv) Loans & Advances	5(b)	1,467.47	1,433.71
	(v) Other Financial Assets	5(c)	1.79	0.88
	(c) Current Tax Assets (Net)	5(f)	312.35	451.27
	(d) Other Current Assets	7	103.75	139.66
	Total Current Assets		24,895.15	25,787.99
	Total Assets (1+2)		32,701.64	31,375.82
	EQUITY AND LIABILITIES			
1	EQUITY			
	(a) Equity Share Capital	9(a)	6,150.00	1,230.00
	(b) Other Equity	9(b)	7,819.73	11,074.24

	Total Equity		13,969.73	12,304.24
	LIABILITIES			
2	Non-Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	10(a)	4,676.80	3,444.47
	(ii) Lease Liabilities		3.50	3.50
	(ii) Other Financial Liabilities	10(b)	-	-
	(b) Other Non-Current Liabilities	11	6,284.35	6,723.21
	(c) Provisions	12	48.51	40.41
	(d) Deferred Tax Liabilities		-	-
	Total Non-Current Liabilities		11,013.16	10,211.59
3	Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	10(a)	4,269.34	5,770.23
	(ii) Lease Liabilities		-	-
	(iii) Trade Payables	13		
	- Total Outstanding Dues of Micro Enterprises and Small Enterprises		191.94	68.70
	- Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises		744.39	1,503.60
	(iv) Other Financial Liabilities	10(b)	925.16	258.22
	(b) Provisions	11	66.67	66.53
	(c) Current Tax Liabilities (Net)	14	1,160.61	1,019.66
	(d) Other Current Liabilities	15	360.63	173.05
	Total Current Liabilities		7,718.75	8,859.99
	Total Equity & Liabilities (1+2+3)		32,701.64	31,375.82
	Significant Accounting Policies	1		

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date

KBL GLOBAL LIMITED
CIN: L45400MH2007PLC174194

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022
(INR in Lakhs)

Sr. No.	Particulars	Note No.	For the year ended	
			March 31, 2022	March 31, 2021
1	INCOME			
	(a) Revenue from Operations	16	10,164.52	12,882.72
	(b) Other Income	17	967.28	753.56
	Total Income		11,131.80	13,636.29
2	EXPENSES			
	(a) Cost of construction / development, land, plots and development rights	18	6,341.44	8,553.54
	(b) Employee benefits expense	19	265.47	304.68
	(c) Finance costs	20	1,430.47	1,455.52
	(d) Depreciation and amortization expense	3	12.45	10.87
	(e) Selling expenses	21	146.85	339.50
	(f) Other expenses	22	535.36	179.57
	Total Expenses		8,732.04	10,843.68
3	Profit Before Exceptional Items and Tax (1-2)		2,399.76	2,792.60
4	Exceptional Items		-	-
5	Profit Before Tax (3-4)		2,399.76	2,792.60
6	Tax Expense			
	(a) Current Tax		664.29	760.50
	(b) Deferred Tax Charge / (Credit)		2.89	6.34
	Total Tax Expenses		667.18	766.84
7	Profit for the year (3-4)		1,732.57	2,025.77
8	Other Comprehensive Income			
	Items that will not be subsequently reclassified to profit or loss – Re measurement of defined benefit plan		(8.10)	(8.10)
9	Total Comprehensive Income for the year (5+6)		1,724.47	2,017.67
10	Earning per Equity Share (EPS) (Face value of INR 1 each)			
	Basic EPS		0.28	0.33
	Diluted EPS		0.28	0.33
	Significant Accounting Policies	1		

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date

KBL GLOBAL LIMITED
CIN : L45400MH2007PLC174194

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2022

A. EQUITY SHARE CAPITAL

(INR in Lakhs)

Particulars	As At March 31, 2022	As At March 31, 2021
Balance at the beginning of the year	1,230.00	1,230.00
Changes in equity share capital during the year – Bonus issue	4,920.00	-
Balance at the end of the year	6,150.00	1,230.00

B. OTHER EQUITY

(INR in Lakhs)

Particulars	Reserves and Surplus		Total
	Securities Premium Reserve	General Reserve	
Balance as at 1 st April, 2020	3,691.33	5,396.53	9,087.86
Profit / (Loss) for the year	-	2,017.67	2,017.67
Excess / (Short) Provision for Income Tax	-	(0.54)	(0.54)
Dividend Paid	-	(30.75)	(30.75)
Balance at 31 st March, 2021	3,691.33	7,382.91	11,074.24
Balance as at 1 st April, 2021	3,691.33	7,382.91	11,074.24
Profit / (Loss) for the year	-	1,724.47	1,724.47
Excess / (Short) Provision for Income Tax	-	(31.96)	(31.96)
Dividend Paid in respect of FY 2020-21	-	(27.03)	(27.03)
Bonus to Shareholders	-	(4,920.00)	(4,920.00)
Balance at 31 st March, 2022	3,691.33	4,128.40	7,819.73

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

(a) Securities Premium

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

(b) General Reserves

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

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date

KBC GLOBAL LIMITED

CIN : L45400MH2007PLC174194

Standalone Statement of Cash Flows for the year ended March 31, 2022*(INR in Lakhs)*

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Cash Flow from Operating Activities		
Profit Before Tax:	2,399.76	2,792.61
Adjustment for:		
Depreciation and Amortization	12.45	10.87
Provision for Gratuity	(8.10)	(8.10)
Finance Cost	1,430.47	1,455.52
Interest Income	(945.34)	(706.20)
Dividend Income	(0.75)	-
Profit from Redemption of Mutual Funds	-	(1.05)
Share of Profit from Partnership Firms	(8.35)	(3.51)
Provisions for Deferred Taxes	(2.89)	(6.34)
Operating profit before working capital changes	2,877.24	3,533.79
Adjustments for changes in working capital		
(Increase) / Decrease in Financial Assets	(4,840.23)	(2,704.92)
(Increase) / Decrease in Non Financial Assets	174.84	85.22
(Increase) / Decrease in Inventories	582.87	1,234.87
Increase / (Decrease) in Financial Liabilities	30.98	980.79
Increase / (Decrease) in Non Financial Liabilities	(243.04)	670.03
	(1,417.35)	3,799.79
Taxes Paid (Net)	(555.30)	(349.14)
Net Cash Flow from Operating Activities	(1,972.65)	3,450.65
Cash Flow from Investing Activities		
Purchase of Property, Plant & Equipment	(5.92)	(25.86)
Sale / (Purchase) of Investments	2,762.19	(916.54)
Interest Income	945.34	706.20
Dividend Income	0.75	-
Profit from Redemption of Mutual Funds	-	1.05
Share of Profit from Partnership Firms	8.35	3.51
Net Cash Flow from Investing Activities	3,710.71	(231.63)
Cash Flow from Financing Activities		
Proceeds from Issue of Equity Share Capital	-	-
Dividend Payable	(27.03)	-
Proceeds from / (Repayment of) Long Term Borrowings (Net)	1,232.33	(2,007.56)
Proceeds from / (Repayment of) Short Term Borrowings (Net)	(1,500.89)	244.05
Interest Paid	(1,430.47)	(1,455.52)
Net Cash Flow from Financing Activities	(1,726.06)	(3,219.04)
Net Increase / (Decrease) in Cash and Cash Equivalents	12.01	(0.02)

Cash and Cash Equivalents - Opening Balance	36.79	36.82
Cash and Cash Equivalents - Closing Balance	48.80	36.79
See Accompanying notes forming part of the standalone financial statements		

Notes:

- (a) The Cash Flow Statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) Statement of Cash Flows.
- (b) Cash comprise cash on hand, current accounts and deposits with banks. Cash equivalents are short term balances (with original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of change in value.

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date

Independent Auditors' report on the Standalone Financial Statements of KBC Global Limited for the period ended 31 March 2020.

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (Referred to in paragraph 2 (A) (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

To The Members of Karda Constructions Limited Report on the Audit of the Standalone Financial Statements Opinion We have audited the standalone financial statements of Karda Constructions Limited ("the Company"), which comprise the balance sheet as at 31 March 2020, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

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

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

The Key Audit Matter	How the matter was addressed in our audit
<p>1. Accuracy of revenue recognition, measurement, presentation and disclosures as per IndAS 115 "Revenue from Contracts with Customers".</p> <p>Revenue from sale of residential and commercial units represents 89.95% of the total revenue from operations of the Company.</p> <p>Revenue is recognized upon transfer of control of residential and commercial units to customers. The trigger for revenue recognition is normally completion of the project or receipt of approvals on completion from relevant authorities. The Company records revenue over time till the actual possession to the customers or on actual possession to the customers, as determined by the terms of contract with customers.</p> <p>Measurement of revenue recorded over time which is dependent on the estimates of the costs to complete</p> <p>Revenue recognition involves significant estimates related to measurement of costs to complete for the projects. Revenue from projects is recorded based on management's assessment of the work completed, costs incurred and accrued and the estimate of the balance costs to complete. Since revenue recognition has direct impact on the Company's profitability, the element of management bias is likely to be involved.</p> <p>Due to the inherent nature of the projects and significant judgment involved in the estimate of costs</p>	<p><u>Principle Audit Procedures</u></p> <ul style="list-style-type: none"> · Evaluating that the Company's revenue recognition accounting policies are in line with the applicable accounting standards; · Identifying the impact on adoption of the new IndAS 115; · Selection of samples of continuing and new contracts with the customers; · Scrutinizing all the revenue journal entries raised throughout the reporting period and comparing details of a sample of these journals with relevant underlying documentation; · Conducting site visits during the year for selected projects to understand the scope and nature of the projects and to assess the progress of the projects; · Testing sample sales of units for projects with the underlying contracts, completion status and proceeds received from customers; · Evaluation of industry wide procedures adopted for the revenue recognition under this standard.

<p>to complete, there is risk of overstatement or understatement of revenue.</p>	<p>Measurement of revenue recorded over time which is dependent on the estimates of the costs to complete</p> <ul style="list-style-type: none"> · Compared, on a sample basis, revenue transactions recorded during the year with the underlying contracts, progress reports, invoices raised on customers and collections in bank accounts and whether the related revenue had been recognized in accordance with the Company's revenue recognition policies; · Identification and testing operating effectiveness of key controls over recording of actual costs incurred for the projects; · Sighting approvals for changes in estimated costs with the rationale for the changes and related documentation. · Comparison of the estimated costs with the costing details as mentioned for registration of the projects with the MahaRERA website.
<p>2. Valuation of Inventories – Assessing the net realisable value</p>	
<p>Inventory represents the capitalized project costs to date less amounts expensed on sales by reference to the aforementioned projections. It is held at the lower of cost and net realisable value (NRV), the latter also being based on the forecast for the project. As such inappropriate assumptions in these forecasts can impact the assessment of the carrying value of inventories.</p>	<p><u>Principle Audit Procedures</u></p> <ul style="list-style-type: none"> · Discussion with the management to understand the basis of calculation and justification for the estimated recoverable amounts of the unsold units ("the NRV assessment"); · Evaluating the design and implementation of the Company's internal controls over the NRV assessment. Our evaluation included assessing whether the NRV assessment was prepared and updated by appropriate personnel of the Company and whether the key estimates, including estimated future selling prices and costs of completion for all property development projects, used in the NRV assessment, were discussed and challenged by management as appropriate; · Evaluating the management's valuation methodology and assessing the key estimates, data inputs and assumptions adopted in the valuations, which included comparing expected future average selling prices with available market data such as recently transacted prices for similar properties located in the nearby vicinity of each property development project and the sales budget plans maintained by the Company;
<p>3. Tax Assessments</p>	
<p>Review, effect and presentation of completed tax assessments</p>	<p><u>Principle Audit Procedures</u></p> <ul style="list-style-type: none"> · Verification of details of completed tax assessments and demands as at 31st March, 2020, followed by verification of tax refunds on completed tax assessments and treatment of the same in books of account and financial statements.

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

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

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

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

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

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

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

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

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

- **Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.**
- **Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.**
- **Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management**

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1.As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2.As required by Section 143(3) of the Act, we report 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 standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standard (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its standalone financial statements - Refer Note 24 to the standalone 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 during the year ended 31 March 2020; and
 - iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31 March 2020.

h) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act, we report that:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act; and the Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

Sd/- CA. Vipul Lathi
Partner
Membership No: 134897
UDIN: 20134897AAAAAF5127

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT – 31 MARCH 2020

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2020, we report the following:

(i) In respect of Property, Plant and Equipments

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets including property, plant and equipment and investment properties and investment property under construction.
- (b) The Company has a regular programme of physical verification of its property, plant and equipment and investment properties by which the property, plant and equipment and investment properties are verified by the management according to a phased programme designed to cover all the items over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the policy, the Company has physically verified certain property, plant and equipment and investment properties during the year and no discrepancies were noticed in respect of assets verified during the year.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

During the year, a major fire broke at the Registered Office premises of the Company located at 2nd Floor, Gulmohar Status, Above Business Bank, Samarth Nagar, Nashik - 422005, on 7th September 2019, gutting the entire floor of the office. The said premises held certain office equipments, furniture & fixtures as well as the books of accounts, computers and servers holding financial and accounting data, financial records, and related supporting documents. The loss by fire shown as exceptional items in the financial results is INR 93.13 lakhs against the closing written down value (WDV) of Property, Plant & Equipments as on date of fire.

(ii) In respect of Inventories

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

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

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

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

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

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

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

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

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

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

(vi) Maintenance of cost records

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

(vii) Deposit of Statutory Dues

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

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Profession tax, Property Tax, Labour cess, Income-tax, Goods and Service tax, Cess and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Income-tax, Sales tax, Service tax, Value added tax and Goods and Service tax as at 31 March 2020, which have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

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

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

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

(x) Reporting of Fraud During the Period During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given

to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.

- (xi) Managerial Remuneration According to the information and explanations given to us and based on our examination of records of the Company, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.
- (xii) Compliance by Nidhi Company Regarding Net Owned Fund to Deposits Ratio In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.
- (xiii) Related party compliance with Section 177 and 188 of Companies Act, 2013 In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act
- (xiv) Compliance under section 42 of the Companies Act, 2013 regarding private placement of Shares or Debentures According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence reporting under clause (xiv) of paragraph 3 of the Order is not applicable to the Company.
- (xv) Compliance under section 192 of Companies Act, 2013 According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.
- (xvi) Requirement of Registration under 45-IA of Reserve Bank of India Act, 1934 In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable to the Company.

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

Sd/- CA. Vipul Lathi
Partner
Membership No: 134897
UDIN: 20134897AAAAAF5127
Place: Nashik

Date: 29 June, 2020

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

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

Opinion

We have audited the internal financial controls over financial reporting of Karda Constructions Limited (“the Company”) as of 31st March, 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

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 2020, 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”.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorised 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.

For JPL & Associates,

Chartered Accountants

Firm Registration No. 132748W

Sd/-
CA. Vipul Lathi
Partner
Membership No: 134897
UDIN: 20134897AAAAAF5127
Place: Nashik
Date: 29 June, 2020

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

II. Summary of Significant Accounting Policies

(a) Basis of preparation and measurement

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) to comply with the Section 133 of the Companies Act, 2013 (“the 2013 Act”) and the relevant provisions and amendments, as applicable. The financial statements have been prepared on accrual basis under the historical cost convention except certain financial instruments, defined benefit plans and share based payments measured at fair value. The financial statements of the Company for the year ended March 31, 2020 were approved by the Board of Directors and authorised for issue on June 29, 2020.

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

(c) Fair value measurement

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

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

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

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

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

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

(d) Revenue Recognition

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

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

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

- The Customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs.
- The entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

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

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

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

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

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

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

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

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

Dividend income is accounted when right to receive is established.

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

(e) Property, Plant and Equipment:

Recognition and measurement

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

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment are derecognized from financial statements, either on disposal or when no economic benefits are expected from its use or disposal. The gain or losses arising from disposal of property, plant and equipment are recognized in the Statement of Profit and Loss in the year of occurrence.

Assets under construction include the cost of property, plant and equipment that are not ready to use at the balance sheet date.

Advances paid to acquire property, plant and equipment before the balance sheet date are disclosed under other non-current assets. Assets under construction are not depreciated as these assets are not yet available for use

Subsequent expenditures

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

Depreciation and amortization

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation / Amortisation on property, plant & equipment of the Company has been provided using the straight line method based on the useful life specified in Schedule II to the Companies Act, 2013.

Assets costing less than INR 5,000 are depreciated at 100% in the year of acquisition.

Assets acquired on lease and leasehold improvements are amortised over the primary period of the lease on straight line basis.

The estimated useful lives and residual values of the property, plant & equipment and intangible assets are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Investment property and depreciation

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

(f) Impairment of non-financial assets:

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

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

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

(g) Foreign currency transactions:

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

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

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

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

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

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

(i) Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of

another entity. Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial Assets

Initial recognition and measurement

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

Subsequent measurement

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

i) Financial assets at amortised cost

A financial asset is measured at the amortised cost, if both of the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

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

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

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

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

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

iv) Equity instruments

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

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

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

Profit and Loss.

Impairment of financial assets

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

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

De-recognition

A financial asset is derecognized when:

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

Financial Liabilities

Initial recognition and measurement

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

Subsequent measurement

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

Loans and borrowings

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

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

De-recognition

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

Offsetting financial instruments

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

(j) Inventories:

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

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

(k) Income Tax:

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

Current Tax

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

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

- i) has a legally enforceable right to set off the recognised amounts; and
- ii) intends either to realise the asset and settle the liability on a net basis or simultaneously.

Deferred Tax

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

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

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

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

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

Deferred tax assets and liabilities are offset only if:

- i) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- ii) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Minimum Alternative Tax (MAT)

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

(I) Employee benefits:

Short term employee benefits

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

Defined contribution plans

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

Defined benefit plans

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

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

Leave Entitlement

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

(m) Leases:

Finance Lease

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

Operating Lease

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

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

(n) Borrowing Costs:

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

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

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

(o) Earnings per share:

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

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

(p) Cash and cash equivalents:

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

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

(q) Provisions and Contingent Liabilities:

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

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

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

(r) Dividend:

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

(s) Events after reporting date:

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

(t) Segment Reporting:

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

(u) USE OF ESTIMATES AND JUDGEMENTS

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

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

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

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

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

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

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

iii. Recognition and measurement of defined benefit obligations

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

iv. Fair value measurement of financial instruments

When the fair values of the financial assets and liabilities recorded in the balance sheet cannot be measured based on the quoted market

prices in active markets, their fair value is measured using valuation technique. The inputs to these models are taken from the observable market where possible, but where this is not feasible, a review of judgement is required in establishing fair values. Any changes in the aforesaid assumptions will affect the fair value of financial instruments.

v. Impairment losses on investment

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

vi. Deferred taxes

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

vii. Provisions and contingencies

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

KARDA CONSTRUCTIONS LIMITED CIN: L45400MH2007PLC174194 STANDALONE STATEMENT OF ASSETS & LIABILITIES AS ON MARCH 31, 2020

Sr. No.	Particulars	Note No.	March 31, 2020
	ASSETS		
<u>1.</u>	Non-Current Assets		
	(a) Property, Plant and Equipment	<u>3</u>	<u>86.25</u>
	(b) Investment Properties	<u>4</u>	22.21
	(c) Financial Assets		
	(i) Investments	5(a)	
	- In Partnership Firms		<u>0.22</u>
	- In Others		30.03
	(ii) Loans & Advances	5(b)	1,074.98
	(iii) Other Financial Assets	5(c)	1,383.07
	(d) Deferred Tax Assets (Net)	12	23.95
	(d) Other Non-Current Assets	6	40.10
	Total Non-Current Assets		2660.80
<u>2.</u>	Current Assets		
	(a) Inventories		16,400.82
	(b) Financial Assets		
	(i) Investments		4,654.45
	(ii) Trade Receivables		1,215.77
	(iii) Cash and Cash Equivalents		36.82
	(iv) Loans & Advances		3,412.76
	(v) Other Financial Assets		1.92
	(c) Current Tax Assets (Net)		593.11
	(d) Other Current Assets		83.05
	Total Current Assets		26,398.69
	Total Assets (1+2)		26,398.69
	EQUITY AND LIABILITIES		
<u>1</u>	EQUITY		
	(a) Equity Share Capital	8(a)	1,230.00
	(b) Other Equity	8(b)	9,087.86
	Total Equity		10,317.86
	LIABILITIES		
<u>2</u>	Non-Current Liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	9(a)	3,707.98
	(ii) Other Financial Liabilities	9(b)	3.50
	(b) Other Non-Current Liabilities	10	6,179.04
	(c) Provisions	11	32.31
	(d) Deferred Tax Liabilities	12	-
	Total Non-Current Liabilities		9,922.84
<u>3</u>	Current Liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	9(a)	1,926.57
	(ii) Trade Payables	13	
	- Total Outstanding Dues of Micro Enterprises and Small Enterprises		77.86
	- Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises		1,364.70
	(iii) Other Financial Liabilities	9(b)	4,750.82
	(b) Provisions	11	56.881
	(c) Current Tax Liabilities (Net)	14	577.02

	(d) Other Current Liabilities	15	64.94
	Total Current Liabilities		8,818.79
	Total Equity & Liabilities (1+2+3)		29,059.49

KARDA CONSTRUCTIONS LIMITED CIN: L45400MH2007PLC174194 STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

Sr. No.	Particulars	Note No.	March 31, 2020
1.	INCOME		
	(a) Revenue from Operations	16	11,412.14
	(b) Other Income	17	421.35
	Total Income		11,833.49
2.	EXPENSES		
	(a) Cost of construction / development, land, plots and development rights	18	7,080.78
	(b) Employee Benefits Expense	19	345.34
	(c) Finance costs	20	1,785.18
	(d) Depreciation and amortization expense	3	17.53
	(e) Selling Expenses	21	615.71
	(f) Other Expenses	22	631.09
	Total Expenses		10,475.62
3.	Profit Before Exceptional Items and Tax (1-2)		1,357.87
4.	Exceptional Items – Loss by Fire		93.13
5.	Profit Before Tax (3-4)		1,264.74
6.	Tax Expense		
	(a) Current Tax		327.70
	(b) Deferred Tax Charge / (Credit)		(26.60)
	Total Tax Expenses		301.10
7.	Profit for the year (3-4)		963.64
8.	Other Comprehensive Income		
	Items that will not be subsequently reclassified to profit or loss – Re measurement of defined benefit plan		(8.10)
9.	Total Comprehensive Income for the year (5+6)		955.54
10.	Earning per Equity Share (EPS) (Face value of INR 10 each)		
	Basic EPS		7.77
	Diluted EPS		7.77
	Significant Accounting Policies		

KARDA CONSTRUCTIONS LIMITED CIN : L45400MH2007PLC174194 STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020

A. EQUITY SHARE CAPITAL

(INR in Lakhs)

Particulars	As At March 31, 2020
Balance at the beginning of the year	1,230.00
Changes in equity share capital during the year	-
Balance at the end of the year	1,230.00

B. OTHER EQUITY

Particulars	Reserves and Surplus		Total
	Securities Premium Total Reserve	General Reserve	
Balance as at 1st April, 2018	3,795.01	3,311.53	7,106.53
Changes in accounting policy or prior period errors			
Profit / (Loss) for the year		1,209.75	1,209.75
Items of other comprehensive income: Remeasurement of net defined benefit		(7.40)	(7.40)
Excess / (Short) Provision for Income Tax		(11.18)	(11.18)
Adjustments for Share Issue Expenses - IPO	(103.68)	-	(103.68)
Balance at 31st March, 2019	3,691.33	4,502.69	8,194.02
Balance as at 1st April, 2019	3,691.33	4,502.69	8,194.02
Changes in accounting policy or prior period errors			
Profit / (Loss) for the year		963.64	963.64
Items of other comprehensive income: Remeasurement of net defined benefit		(8.10)	(8.10)
Excess / (Short) Provision for Income Tax		(3.64)	(3.64)
Share of Income Tax Expenses – Firm		(58.06)	(58.06)
Balance at 31st March, 2020	3,691.33	5,396.53	9,087.86

The accompanying notes are an integral part of the financial statement

(a) Securities Premium Securities premium is used to record the premium received on issue of shares. It is utilized in accordance with the provisions of the Act.

(b) General Reserves The general reserve is created from time to time to transfer profits from retained earnings for appropriation purposes.

KARDA CONSTRUCTIONS LIMITED
CIN: L45400MH2007PLC174194
STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020

(INR in Lakhs)

Particulars	Year ended 31 March 2020
Cash Flow from Operating Activities	
Profit Before Tax:	1,264.74
Adjustment for:	
Depreciation and Amortisation	17.53
Provision for Gratuity	(8.10)
Finance Cost	1,785.18
Interest Income	(297.91)
Dividend Income	(1.06)
Profit from Redemption of Mutual Funds	(119.04)
Share of Profit from Partnership Firms	(21.34)
Share of Income Tax from Partnership Firms	(57.54)
Provisions for Deferred Taxes	26.60
Exceptional Items – Loss by Fire	93.13
Operating profit before working capital changes	2,682.18
Adjustments for changes in working capital	
(Increase) / Decrease in Financial Asset	(453.47)
(Increase) / Decrease in Non Financial Assets	132.99
(Increase) / Decrease in Inventories	(932.69)
Increase / (Decrease) in Financial Liabilities	(1,592.24)
Increase / (Decrease) in Non Financial Liabilities	4,766.99
	4,603.76
Taxes Paid (Net)	(149.84)
Net Cash Flow from Operating Activities	4,453.92
Cash Flow from Investing Activities	
Purchase of Property, Plant & Equipment	(30.83)
Sale / (Purchase) of Investments	(1,953.43)
(Investments in) / Withdrawal from Partnership Firms	
Interest Income	297.91
Dividend Income	1.06
Profit from Redemption of Mutual Funds	119.04
Share of Profit from Partnership Firms	21.34
Net Cash Flow from Investing Activities	(1,544.92)

REPORT TO THE MEMBERS OF KARDA CONSTRUCTIONS LIMITED

To The Members of Karda Constructions Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of KARDA CONSTRUCTIONS LIMITED (“the Company”), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the “standalone financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial

statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters (‘KAM’) are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

The Key Audit Matter	How the matter was addressed in our audit
Accuracy of revenue recognition, measurement, presentation, and disclosures as per IndAS 115 “Revenue from Contracts with Customers”.	
Revenue from sale of residential and commercial units represents 63.54% of the total revenue from operations of the Company. Revenue is recognized upon transfer of control of residential and commercial units to customers. The trigger for revenue recognition is	<p>Principle</p> <p>Audit Procedures</p> <ul style="list-style-type: none">● Evaluating that the Company’s revenue recognition accounting policies are in line with the applicable accounting standards;● Identifying the impact on adoption of the new Ind AS 115;● Selection of samples of continuing and new contracts with the customers;● Scrutinizing all

<p>normally completion of the project or receipt of approvals on completion from relevant authorities. The Company records revenue over time till the actual possession to the customers or on actual possession to the customers, as determined by the terms of contract with customers.</p> <p>Measurement of revenue recorded over time which is dependent on the estimates of the costs to complete Revenue recognition involves significant estimates related to measurement of costs to complete for the projects. Revenue from projects is recorded based on management's assessment of the work completed, costs incurred and accrued and the estimate of the balance costs to complete. Since revenue recognition has direct impact on the Company's profitability, the element of management bias</p>	<p>the revenue journal entries raised throughout the reporting period and comparing details of a sample of these journals with relevant underlying documentation;</p> <ul style="list-style-type: none"> ● Conducting site visits during the year for selected projects to understand the scope and nature of the projects and to assess the progress of the projects; ● Testing sample sales of units for projects with the underlying contracts, completion status and proceeds received from customers; ● Evaluation of industry wide procedures adopted for the revenue recognition under this standard. <p>Measurement of revenue recorded over time which is dependent on the estimates of the costs to complete</p> <ul style="list-style-type: none"> ● Compared, on a sample basis, revenue transactions recorded during the year with the underlying contracts, progress reports, invoices raised on customers and collections in bank accounts and whether the related revenue
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<p>is likely to be involved.</p> <p>Due to the inherent nature of the projects and significant judgment involved in the estimate of costs to complete, there is risk of overstatement or understatement of revenue.</p>	<p>had been recognized in accordance with the Company's revenue recognition policies;</p> <ul style="list-style-type: none"> ● Identification and testing operating effectiveness of key controls over recording of actual costs incurred for the projects; ● Sighting approvals for changes in estimated costs with the rationale for the changes and related documentation. ● Comparison of the estimated costs with the costing details as mentioned for registration of the projects with the MahaRERA website.
<p>Valuation of Inventories – Assessing the net realisable value</p>	
<p>Inventory represents the capitalized project costs to date less amounts expensed on sales by reference to the aforementioned projections. It is held at the lower of cost and net realisable value (NRV), the latter also being based on the forecast for the project. As such inappropriate assumptions in these forecasts can impact the assessment of the carrying value of inventories.</p>	<p>Principle Audit Procedures</p> <ul style="list-style-type: none"> ● Discussion with the management to understand the basis of calculation and justification for the estimated recoverable amounts of the unsold units ("the NRV assessment"); ● Evaluating the design and implementation of the Company's internal controls over the NRV assessment. Our evaluation included assessing whether the NRV assessment was prepared and

	<p>updated by appropriate personnel of the Company and whether the key estimates, including estimated future selling prices and costs of completion for all property development projects, used in the NRV assessment, were discussed and challenged by management as appropriate;</p> <ul style="list-style-type: none"> • Evaluating the management's valuation methodology and assessing the key estimates, data inputs and assumptions adopted in the valuations, which included comparing expected future average selling prices with available market data such as recently transacted prices for similar properties located in the nearby vicinity of each property development project and the sales budget plans maintained by the Company;
Tax Assessments	
Review, effect and presentation of completed tax assessments	<p>Principle</p> <p>Audit Procedures</p> <p>Verification of details of completed tax</p>

	assessments and demands as at 31st March, 2021, followed by verification of tax refunds on completed tax assessments and treatment of the same in books of account and financial statements.
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Information Other than the Financial Statements and Auditor's Report Thereon

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

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

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

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position,

financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

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

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

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

Auditors' Responsibility for the Audit of the Standalone Financial Statements

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material

uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit we report 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, Statement of

Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

- d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standard (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure B**”. 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 Auditors’ Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its standalone financial statements - Refer Note 24 to the standalone

financial statements;

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021;
- h) With respect to the matter to be included in the Auditors’ Report under Section 197(16) of the Act, we report that:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act; and the Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For Sharp Aarth & Co

Chartered Accountants

Firm Registration No – 132748W

CA

Vipul

Lathi

Partner

Membership No.134897

UDIN:

21134897AAAAAY2591

Place: Nasik

Date: May 31, 2021

**ANNEXURE “A” TO THE INDEPENDENT
AUDITORS’ REPORT – 31 MARCH 2021**

With reference to the Annexure A referred to in the Independent Auditors’ Report to the members of the Company on the standalone financial statements for the year ended 31 March 2021, we report the following:

(i) In respect of Property, Plant and Equipments

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets including property, plant and equipment and investment properties and investment property under construction.
- (b) The Company has a regular programme of physical verification of its property, plant and equipment and investment properties by which the property, plant and equipment and investment properties are verified by the management according to a phased programme designed to cover all the items over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the policy, the Company has physically verified certain property, plant and equipment and investment properties during the year and no discrepancies were noticed in respect of assets verified during the year.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) In respect of Inventories

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

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

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

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

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

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

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

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

Company

(vi) *Maintenance of cost records*

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

(vii) *Deposit of Statutory Dues*

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

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Profession tax, Property Tax, Labour cess, Income-tax, Goods and Service tax, Cess and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of Income-tax, Sales tax, Service tax, Value added tax and Goods and Service tax as at 31 March 2021, which have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

(INR in Million)

Name of the statute	Nature of the dues	Period to which the amount relates	Demand Amount	Amount Paid	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	A Y 2014-15	0.15	0.15	Income Tax Appellate Tribunal (ITAT)
Income Tax Act, 1961	Income Tax	A Y 2015-16	3.613	3.613	
Income Tax Act, 1961	Income Tax	A Y 2015-16	1.639	-	CIT (Appeal)

(viii) Repayment of Loans and Borrowings

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

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

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

(x) Reporting of Fraud During the Period

During the course of our examination of the books and records of the Company, carried out in accordance with the generally

accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.

(xi) Managerial Remuneration

According to the information and explanations given to us and based on our examination of records of the Company, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.

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

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

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

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

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

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

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

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

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

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

*For Sharp Aarth & Co
Chartered Accountants
Firm Registration No – 132748W*

CA Vipul Lathi
Partner
*Membership No.134897 UDIN:
21134897AAAAAY2591*
Place: Nasik
Date: May 31, 2021

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT – 31 MARCH 2021

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

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

Opinion

We have audited the internal financial controls over financial reporting of **KARDA CONSTRUCTIONS LIMITED** (“the Company”) as of 31st March, 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

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 2021, 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”.

Management’s Responsibility for Internal Financial Controls

The Company’s management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations

of management and directors of the Company; 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.

For Sharp Aarth & Co
Chartered Accountants

Firm Registration No – 132748W

CA
Vipul
Lathi
Partner

Membership No.134897

UDIN:

21134897AAAAAY2591

Place: Nasik

Date: May 31, 2021

**KARDA CONSTRUCTIONS
LIMITED CIN:
L45400MH2007PLC174194**

STANDALONE STATEMENT OF ASSETS & LIABILITIES AS ON MARCH 31, 2021

(INR in Million)

Sr. No.	Particulars	Note No.	As at	As at
			March 31, 2021	March 31, 2020
	ASSETS			
1	Non-Current Assets			
	(a) Property, Plant and Equipment	3	10.124	8.625
	(b) Investment Properties	4	2.221	2.221
	(c) Financial Assets			
	(i) Investments	5(a)		
	- In Partnership Firms		0.022	0.022
	- In Others		3.003	3.003
	(ii) Loans & Advances	5(b)	128.798	107.498
	(iii) Other Financial Assets	5(c)	171.56	138.307
	(d) Deferred Tax Assets (Net)	12	1.761	2.395
	(d) Other Non-Current Assets	6	4.01	4.01
	Total Non-Current Assets		321.499	266.08
2	Current Assets			
	(a) Inventories	7	1516.595	1640.082
	(b) Financial Assets			
	(i) Investments	5(a)	557.098	465.445
	(ii) Trade Receivables	5(d)	298.874	121.577
	(iii) Cash and Cash Equivalents	5(e)	3.679	3.682
	(iv) Loans & Advances	5(b)	380.655	341.276
	(v) Other Financial Assets	5(c)	0.088	0.192
	(c) Current Tax Assets (Net)	5(f)	45.127	59.311
	(d) Other Current Assets	6	13.966	8.305
	Total Current Assets		2816.083	2639.869
	Total Assets (1+2)		3137.582	2905.949
	EQUITY AND LIABILITIES			
1	EQUITY			
	(a) Equity Share Capital	8(a)	123	123
	(b) Other Equity	8(b)	1107.424	908.786
	Total Equity		1230.424	1031.786

	LIABILITIES			
2	Non-Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	9(a)	170.042	370.798
	(ii) Other Financial Liabilities	9(b)	0.35	0.35
	(b) Other Non-Current Liabilities	10	672.321	617.904
	(c) Provisions	11	4.041	3.231
	(d) Deferred Tax Liabilities	12	-	-
	Total Non-Current Liabilities		846.754	992.284
3	Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	9(a)	217.062	192.657
	(ii) Trade Payables	13		
	- Total Outstanding Dues of Micro Enterprises and Small Enterprises		6.87	7.786
	- Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises		150.36	136.471
	(iii) Other Financial Liabilities	9(b)	560.188	475.082
	(b) Provisions	11	6.6532	5.6881
	(c) Current Tax Liabilities (Net)	14	101.966	57.702
	(d) Other Current Liabilities	15	17.305	6.494
	Total Current Liabilities		1060.404	881.879
	Total Equity & Liabilities (1+2+3)		3137.582	2905.949
	Significant Accounting Policies	1		

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

For Sharp Aarth & Co
Chartered Accountants

*For and on behalf
of the Board of
Directors of Karda
Constructions
Limited*
CIN –L45400MH2007PLC174194

CA VIPUL LATHI
Partner
Membership No.134897
(Firm Registration No. 132748W)
Place : Nashik
Date: 31 May, 2021

NARESH KARDA
Chairman & MD
DIN: 01741279

MANOHAR KARDA
*Whole Time
Director*
DIN : 01808564

LIYAKAT M KHAN
Chief Financial Officer

MAYURA MARATHE
Company Secretary

KARDA CONSTRUCTIONS LIMITED CIN:

L45400MH2007PLC174194

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

(INR in Million)

Sr. No.	Particulars	Note No.	For the year ended	
			March 31, 2021	March 31, 2020
1	INCOME			
	(a) Revenue from Operations	16	1209.221	1141.214
	(b) Other Income	17	75.356	42.135
	Total Income		1284.578	1183.349
2	EXPENSES			
	(a) Cost of construction / development, land, plots, and development rights	18	776.304	708.078
	(b) Employee Benefits Expense	19	30.468	34.534
	(c) Finance costs	20	145.552	178.518
	(d) Depreciation and amortization expense	3	1.087	1.753
	(e) Selling Expenses	21	33.95	61.571
	(f) Other Expenses	22	17.957	63.109
	Total Expenses		1005.317	1047.562
3	Profit Before Exceptional Items and Tax (1-2)		279.261	135.787
4	Exceptional Items – Loss by Fire		-	9.313
5	Profit Before Tax (3-4)		279.261	126.474
6	Tax Expense			
	(a) Current Tax		76.05	32.77
	(b) Deferred Tax Charge / (Credit)		0.634	2.66
	Total Tax Expenses		76.684	30.11
7	Profit for the year (3-4)		202.577	96.364
8	Other Comprehensive Income			
	Items that will not be subsequently reclassified to profit or loss – Re measurement of defined benefit plan		0.81	0.81
9	Total Comprehensive Income for the year (5+6)		201.767	95.554
10	Earning per Equity Share (EPS) (Face value of INR 2 each)			
	Basic EPS		0.328	0.777
	Diluted EPS		0.328	0.777
	Significant Accounting Policies	1		

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

For Sharp Aarth & Co
Chartered Accountants
(Firm Registration No. 132748W)

CA VIPUL LATHI
Partner
Membership No.134897 Place :
Nashik
Date: 31 May, 2021

For and on behalf of the Board of Directors of
Karda Constructions Limited
CIN – L45400MH2007PLC174194

NARESH KARDA
Chairman & MD
DIN: 01741279

MANOHAR KARDA
Whole Time Director
DIN : 01808564

LIYAKAT M KHAN
Chief Financial Officer

MAYURA MARATHE
Company Secretary

Place :
Nashik
Date: 31
May, 2021

**KARDA CONSTRUCTIONS LIMITED CIN
: L45400MH2007PLC174194
STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021**

A. EQUITY SHARE CAPITAL

(INR in Million)

Particulars	As At March 31, 2021	As At March 31, 2020
Balance at the beginning of the year	123	123
Changes in equity share capital during the year	-	-
Balance at the end of the year	123	123

B. OTHER EQUITY

(INR in Million)

Particulars	Reserves and Surplus		Total
	Securities Premium Reserve	General Reserve	
Balance as at 1st April, 2019	36.9133	450.269	819.402
Changes in accounting policy or prior period errors	-	-	-
Profit / (Loss) for the year	-	96.364	96.364
Items of other comprehensive income: Remeasurement of net defined benefit	-	0.81	0.81
Excess / (Short) Provision for Income Tax	-	0.364	0.364
Adjustments for Share Issue Expenses - IPO	-	5.806	5.806
Balance at 31st March, 2020	36.9133	539.653	908.786
Balance as at 1st April, 2020	36.9133	539.653	908.786
Changes in accounting policy or prior period errors	-	-	-
Profit / (Loss) for the year	-	201.767	201.767
Items of other comprehensive income: Remeasurement of net defined benefit	-		
Excess / (Short) Provision for Income Tax	-	0.054	0.054
Dividend Paid	-	3.075	3.075
Balance at 31st March, 2021	369.133	738.29	1107.424

The accompanying notes are an integral part of the financial statements

(a) Securities Premium

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

(b) General Reserves

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

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

For Sharp Aarth & Co

Chartered Accountants

(Firm Registration No. 132748W)

For and on behalf of the Board of Directors of

Karda Constructions Limited

CIN – L45400MH2007PLC174194

NARESH KARDA

Chairman & MD

DIN: 01741279

MANOHAR KARDA

Whole Time Director

DIN : 01808564

CA VIPUL LATHI

Partner

Membership No.134897

YAKAT M KHAN

LI

Chief Financial Officer

MAYURA MARATHE

Company Secretary

Place : Nashik Date: 31 May, 2021

Place :

Nashik

Date:

31

May,

2021

KARDA CONSTRUCTIONS LIMITED
CIN: L45400MH2007PLC174194

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021

(INR in Million)

Particulars	Year ended 31 March 2021	Year ended March 31, 2020
Cash Flow from Operating Activities		
Profit Before Tax:	279.261	126.474
Adjustment for:	-	-
Depreciation and Amortisation	1.087	1.753
Provision for Gratuity	0.81	0.81
Finance Cost	145.552	178.518
Interest Income	70.62	29.791
Dividend Income	-	0.106
Profit from Redemption of Mutual Funds	0.105	11.904
Share of Profit from Partnership Firms	0.351	2.134
Share of Income Tax from Partnership Firms	-	5.754
Provisions for Deferred Taxes	0.634	2.66
Exceptional Items – Loss by Fire	-	9.313
Operating profit before working capital changes	353.379	268.218
Adjustments for changes in working capital		
(Increase) / Decrease in Financial Assets	270.492	45.347
(Increase) / Decrease in Non-Financial Assets	8.522	13.299
(Increase) / Decrease in Inventories	123.487	93.269
Increase / (Decrease) in Financial Liabilities	98.079	159.224
Increase / (Decrease) in Non-Financial Liabilities	67.003	476.699
	379.979	460.376
Taxes Paid (Net)	34.914	14.984
Net Cash Flow from Operating Activities	345.065	445.392
Cash Flow from Investing Activities		
Purchase of Property, Plant & Equipment	2.586	3.083
Sale / (Purchase) of Investments	91.654	195.343
(Investments in) / Withdrawal from Partnership Firms	-	-
Interest Income	70.62	29.791
Dividend Income	-	0.106
Profit from Redemption of Mutual Funds	0.105	11.904
Share of Profit from Partnership Firms	0.351	2.134
Net Cash Flow from Investing Activities	23.163	154.492

Cash Flow from Financing Activities		
Proceeds from Issue of Equity Share Capital	-	-
Payment for Share Issue Expenses - IPO	-	-
Proceeds from / (Repayment of) Long Term Borrowings (Net)	200.756	98.958
Proceeds from / (Repayment of) Short Term Borrowings (Net)	24.405	74.79
Interest Paid	145.552	178.518
Net Cash Flow from Financing Activities	321.904	352.265
Net Increase / (Decrease) in Cash and Cash Equivalents	0.002	61.366
Cash and Cash Equivalents - Opening Balance	3.682	65.047
Cash and Cash Equivalents - Closing Balance	3.679	3.682
See Companying notes forming part of the financial statements		

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

For Sharp Aarth & Co
Chartered Accountants
(Firm Registration No. 132748W)

For and on behalf of the Board of Directors of
Karda Constructions Limited
CIN – L45400MH2007PLC174194

NARESH KARDA
Chairman & MD
DIN: 01741279

MANOHAR KARDA
Whole Time Director
DIN : 01808564

CA VIPUL LATHI
Partner

Membership No.134897

LIYAKAT M KHAN

Chief Financial Officer

MAYURA MARATHE
Company Secretary

Place : Nashik Date: 31 May, 2021

Place :
Nashik
Date: 31
May, 2021

(INR in Million)

Particulars	GROSS CARRYING AMOUNT				DEPRECIATION				NET CARRYING AMOUNT			
	As at April 1, 2020	Additions during the year	Deductions during the year	As at March 31, 2021	Upto March 31, 2020	For the year	Deductions	Upto March 31, 2021	As March 31, 2021	at March 31, 2020	As March 31, 2021	at March 31, 2020
a) Plant Property & Equipment												
Buildings	4.269	0.838	-	5.107	0.263	0.043	-	0.306	4.8		4.006	
Plant & Machinery	1.218	0.695	0.16	1.753	0.771	0.101	0.16	0.712	1.041		0.447	
Furniture & Fixtures	2.785	0.002	-	2.787	0.828	0.264	-	1.092	1.695		1.957	
Computers & Laptops	0.716	0.219	0.033	0.968	0.147	0.241	0.033	0.421	0.547		0.569	
Vehicles	1.462	-	0.039	1.5	0.658	0.178	0.039	0.874	0.626		0.804	
Office Equipments	3.737	0.833	2.645	1.926	2.895	0.26	2.645	0.509	1.416		0.842	
Total Plant Property & Equipment	14.187	2.586	2.734	14.04	5.562	1.087	2.734	3.915	10.124		8.625	
b) Intangible Assets	-	-	-	-	-	-	-	-	-		-	
c) Capital Work-in-Progress	-	-	-	-	-	-	-	-	-		-	

(INR in Million)

Particulars	GROSS CARRYING AMOUNT				DEPRECIATION				NET CARRYING AMOUNT	
	As at April 1, 2019	Additions during the year	Deductions during the year	As at March 31, 2020	As at April 1, 2019	For the year	Deductions	Upto March 31, 2020	March 31, 2020	As at March 31, 2019
a) Plant Property & Equipment										
Buildings	2.737	-	-	2.737	0.22	0.043	-	0.263	2.473	2.517
Plant & Machinery	1.81	-	0.376	1.434	0.735	0.151	0.028	0.859	0.575	1.075
Furniture & Fixtures	17.144	1.689	14.516	4.317	7.81	0.83	7.812	0.828	3.489	9.334

Computers & Laptops	2.689	0.762	2.735	0.716	1.782	0.26	1.896	0.147	0.569	0.906
Vehicles	1.462	-	-	1.462	0.48	0.178	-	0.658	0.804	0.982
Office Equipments	4.31	0.632	1.422	3.521	2.518	0.289	-	2.807	0.714	1.792
Total Plant Property & Equipment	30.152	3.083	19.048	14.187	13.545	1.753	9.735	5.562	8.625	16.607

b) Intangible Assets	-	-	-	-	-	-	-	-	-	-
c) Capital Work-in-Progress	-	-	-	-	-	-	-	-	-	-

Note 4: Investment Properties

(INR in Million)

Particulars	31 March 2021	31 March 2020
Farm House Plot (at S.No.292/1A & 2A, Bhagur)	2.221	2.221
Total	2.221	2.221

Footnote:

The said investment property is a farm house plot on which construction is in progress and hence no depreciation is charged on it. The Company has not determined the fair value of property from any independent valuer as at 31st March, 2021.

Note 5: Financial Assets

5(a) Non-Current Investments

(INR in Million)

Particulars	31 March 2021	31 March 2020
A) Investment in Fully paid-up Equity Instruments (Unquoted)		
Navjeevan Bank	0.1	0.1
10,000 (As at 31 Mar, 2020: 10,000) Equity shares of INR 10/- each		
Nashik Road Deolali Vyapari Bank Ltd.	0.503	0.503
50,250 (As at 31 Mar, 2020: 50,250) Equity shares of INR 10/- each		
Shree Sainath Land & Development (India) Private Limited*	2.4	2.4
2,40,000 (As at 31 Mar, 2020: 2,40,000) Equity shares of INR 10/- each		
Total	3.003	3.003
B) Investment in Partnership Firms (Refer Footnote a)		
Karda Infrastructures	0.017	0.017

Bhakti Enterprises	0.005	0.005
Total	0.022	0.022
Total Non-Current Investments (A+B)	3.024	3.024

*Refer Related Party Disclosure in Note 25.

Footnote:

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

Partnership Firms	Share in profits (%)	
	31 March 2021	31 March 2020
1. M/s. Karda Infrastructures (Refer Footnote c)		
Karda Constructions Ltd	3.333	3.333
Naresh Jagumal Karda	3.334	3.334
Rahul Kalani	3.333	3.333
Total Capital of the firm (In Million)*	346.776	287.11
2. M/s. Bhakti Enterprises		
Naresh Karda	5.5	5.5
Manohar Karda	0.5	0.5
Laxman Karda	0.5	0.5
Prem Karda	0.5	0.5
Bharati M Karda	0.5	0.5
Disha N Karda	0.5	0.5
Karamchand Karda	0.5	0.5
Karda Constructions Ltd	0.5	0.5
Komal Karda	0.5	0.5
Neha Karda	0.5	0.5
Total Capital of the firm (In Million)*	199.979	167.742
3. M/s. Green Entreprises		
Basant Nathumal Gurnani	1.667	1.667
Sujyoti Fininvest Pvt Ltd	3.333	3.333
Karda Constructions Limited	1.167	1.167
Maharaj Birmani	3.333	3.333
Naresh Karda	0.5	0.5
Total Capital of the firm (In Million)*	10.225	10.374
*Total Capital of the firm consists of fixed & current capital (including excess withdrawals from the firm). Refer Note 5(a) & Note 15.		

b) The Company has investments in certain partnership firms aggregating INR 0.22 lakhs (31st March, 2020: INR 0.22 lakhs). The Company considers its investments in such entities as long term and strategic in nature. Accordingly, no provision is considered necessary towards

diminution in the value of the Company's investments in such entities, which are considered good and fully recoverable.

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

5(a) Current Investments

(INR in Million)

Particulars	31 March 2021	31 March 2020
A) Investment in Mutual Funds (Quoted) (At cost)		
ICICI Prudential Savings Funds - DP Growth	0.118	0.235
3.075 units (As at March 31, 2020 : 755.394 units)		
B) Investment in Partnership Firm (Current Capital)		
Karda Infrastructures	346.776	287.093
Bhakti Enterprises	199.979	167.742
Green Enterprises	10.225	10.374
Total	557.098	465.445
I		

Note 5: Financial Assets

5(b) Non-Current Loans and Advances

(INR in Million)

Particulars	31 March 2021	31 March 2020
Loans to Related Parties	-	-
Loans to Others - Secured (Refer Footnote 1 below)		
(a) Advance against Shop	1	1
(b) Advances & Deposits - Land Purchase	127.798	106.498
Total	128.798	107.498

Footnote:

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

5(b) Current Loans and Advances

(INR in Million)

Particulars	31 March 2021	31 March 2020
Loans to Related Parties	-	-
Loans to Others - Unsecured, Considered Good	380.655	341.276
Total	380.655	341.276

Footnote:

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

Note 5: Financial Assets

5(c) Other Financial Assets - Non Current

(INR in Million)

Particulars	31 March 2021	31 March 2020
Deposits with Banks (Refer Footnote)	84.728	62.997
Security Deposits	18.459	11.457
Development Agreement Deposits	65.343	63.443
Rent Deposits	3.03	0.41
Total	171.56	138.307

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 Million)

Particulars	31 March 2021	31 March 2020
Advance against salaries	0.088	0.192
Total	0.088	0.192

Note 5: Financial Assets

5(d) Trade Receivables

(INR in Million)

Particulars	31 March 2021	31 March 2020
Non-current		
Related Party	-	-
Unsecured, considered good	-	-
Total	-	-
Current		
Related Party		-
Unsecured, considered good		
(a) Receivables from Customers - Real Estate	184.301	106.708
(b) Receivables from Customers – Civil Contracts	113.916	14.65
(c) Rent Receivable	0.658	0.219
Total	298.874	121.577
Less: Allowance for doubtful debts		
Total	298.874	121.577

Footnote:

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

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

Note 5: Financial Assets

5(e) Cash and Cash Equivalents

(INR in Million)

Particulars	31 March 2021	31 March 2020
Balances with Banks		
Current Accounts (<i>Refer Footnote</i>)	-	-
Goa- Current - in EEFC accounts	0.021	0.115
Escrow Accounts	3.433	2.541
RERA Accounts	0.167	0.275
Cash on Hand	0.059	0.751
Total	3.679	3.682

Footnote:

- a) The current accounts figures for the year are classified under Current Borrowings as these accounts were having overdraft balances.

Note 5: Financial Assets

5(f) Current Tax Assets

(INR in Million)

Particulars	31 March 2021	31 March 2020
Balances with Government Authorities		
Advance Tax & Income Tax Payment	--	4.2
Tax Deducted at Source	13.714	9.695
Tax Collected at Source	0.018	--
Excess Credit Balances of GST & Service Tax	31.396	45.415
Total	45.127	59.311

Note 6: Other Non-Financial Assets

(INR in Million)

Particulars	31 March 2021	31 March 2020
Other Non-Current Assets		
Deposits for Income Tax Appeals (<i>Refer Footnote</i>)	4.01	4.01
Total	4.01	4.01
Other Current Assets		
Advances to Suppliers	1.928	2.197
Other Receivables	12.038	6.108
Total	13.966	8.305

Footnote:

- a) Deposits are made with the Income Tax - Commissioner (Appeals) for the A.Y. 2015-16 ₹ 40.10 Lakhs.

Note 7: Inventories

<i>(INR in Million)</i>		
Particulars	31 March 2021	31 March 2020
Inventories (lower of cost or net realizable value)		
Stock of material at site	177.362	47.609
Completed Projects	47.91	43.911
Incomplete Projects Work-In-Progress	920.278	1275.45
Land Bank	94.442	75.559
Civil Construction Work-In-Progress Goa	49.023	47.116
Civil Construction Work-In-Progress	66.14	
Closing stock (Contract) – Asset	161.441	150.437
Total	1516.595	1640.082

Footnote:

- a) Refer Note 18 for cost of inventories recognized 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

<i>(INR in Million)</i>		
Particulars	31 March 2021	31 March 2020
Authorized Share Capital		
10,00,00,000 (As at 31st March, 2020: 1,40,00,000 Equity Shares of ₹10/- each) Equity Shares of ₹2/- each	200	140
Issued and subscribed capital comprises:		
6,15,00,000 (As at 31st March, 2020: 1,23,00,000 Equity Shares of ₹10/- each) Equity Shares of ₹ 2/- each fully paid-up	123	123

Footnote:

- (a) The Company has sub-divided (1:5) its fully paid-up equity shares from ₹ 10/- each to five (5) fully paid-up equity ₹ 2/- each which is quoted on ex-split basis w.e.f. 02-07-2020.

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

(INR in Million)

Particulars	31 March 2021		31 March 2020	
	Number of Equity Shares	Share Capital (INR)	Number of Equity Shares	Share Capital (INR)
Fully paid equity shares (in Million)				
Shares outstanding at the beginning of the year	61.5	123	12.3	123
Add : Issued during the year (Bonus Issue)	-	-	-	-
Add : Issued during the year	-	-	-	-
Less: Bought back during the year	-	-	-	-
Shares outstanding at the end of the year	61.5	123	12.3	123

1. Terms/ rights attached to equity shares

The Company has a single class of equity shares having a par value of ₹ 2 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 has declared dividend for the year ending 31st March, 2021.

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.

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

Particulars	As on 31 March 2021		As on 31 March 2020	
	Number of shares held	% holding	Number of shares held	% holding
Fully paid up equity shares (In Million)				
Naresh Jagumal Karda	280.75	45.65%	56.00	45.53%
Prem Jagumal Karda	19.50	4.80%	5.90	4.80%
Laxman Jagumal Karda	27.50	4.47%	5.50	4.47%

Footnote:

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

- The Company has declared dividend of ₹0.10 per share
- The Company has not issued any shares without payment being received in cash.
- The Company has issued bonus shares during the F.Y. 2019-20 – NIL, F.Y. 2018-19 - NIL & F.Y. 2017-18 - 10.00 Lakhs.
- The Company has not undertaken any buy-back of shares.
- The Company has issued 23.00 Lakhs fresh equity shares during the F.Y. 2017-18 in an IPO.
- The Company has sub-divided (1:5) its fully paid-up equity shares from ₹ 10/- each to five (5) fully paid-up equity ₹ 2/- each which is quoted on ex-split basis w.e.f. 02-07-2020.

8(b): Other Equity

(INR in Million)

Particulars	31 March 2021	31 March 2020
Securities Premium Reserve		
Balance at the beginning of the year	369.133	369.133
Add / (Less) :		
Fresh Issue of Equity Shares in IPO	-	-
Adjustments for Shares Issue Expenses – IPO	-	-
Balance at the end of the year (A)	369.133	369.133

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

(INR in Million)

General Reserve	31 March 2021	31 March 2020
Balance at the beginning of the year	539.653	450.269
Add / (Less) :		
Profit attributable to the owners of the Company	201.767	95.554
Items of OCI recognized directly in retained earnings	--	--
Excess / (Short) Provision of Income Tax	--	5.806
Share of Income Tax Expenses – Firm	5.806	-
Dividend Paid	3.075	
Balance at the end of the year (B)	738.291	539.653
Total (A+B)	1107.424	908.786

Note 9: Financial Liabilities

9(a) Borrowings - Non Current

(INR in Million)

Particulars	31 March 2021	31 March 2020
Secured		
(a) Term loans		
From Banks & Financial Institutions - Rupee loan	704.408	797.943
	704.408	797.943
Unsecured	-	-
Total Non-Current Borrowings	704.408	797.943
Less: Transferred to Current Maturities	534.367	427.145
Total	170.042	370.798

9(a) Borrowings - Current

(INR in Million)

Particulars	31 March 2021	31 March 2020
Secured		
(a) Loan against Construction Projects		
Working Capital Loan / Cash Credit from Banks	213.732	177.25
	213.732	177.25
Unsecured		
(a) Other Loans - Repayable on Demand		
From Related Parties	3.33	15.407
	3.33	15.407
Total	217.062	192.657

Footnote:

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

Name of the Lenders	ROI	Security Offered (Further secured by personal guarantee of one or more promoters)
1. Tata Capital Housing Finance Limited (Term Loan against Constructions of Projects)	15.00%	1. Registered mortgage of Project Land of project 'Hari Om Phase II'
2. Tata Capital Housing Finance Limited (Term Loan against Constructions of Projects)	13.50%	1. Registered mortgage of Project Land & Building to the extent of Developer share in the project Hari Sanskruti 2. Hypothecation / Assignment of Developer share of Receivables (Sold & Unsold) of Project 'Hari Sanskruti Phase I'
3. Tata Capital Housing Finance Limited (Term Loan against Constructions of Projects)	14.50%	1. Registered mortgage on unsold proportion of Project Land & Building 'Hari Krishna 4' along with present & future
4. Tata Capital Housing Finance Limited (Term Loan against Constructions of Projects)	15.00%	1. Registered mortgage on 90 unsold units in the project 'Hari Vishwa'
5. Tata Capital Housing Finance Limited (Term Loan against Constructions of Projects)	14.50%	1. Registered mortgage on unsold proportion of Project Land & Building of 'Hari Laxmi' along with present & future construction

6. LIC Housing Finance Ltd. (Term Loan against Constructions of Projects)	13.00%	<ol style="list-style-type: none"> 1. Registered mortgage on entire Project Land of 'Hari Sanskruti Phase II' 2. Hypothecation of share of receivables from the project 'Hari Sanskruti Phase II'
7. State Bank of India (Cash Credit)	12.50%	<ol style="list-style-type: none"> 1. Registered mortgage of Hari Bhakti Project 2. Registered Mortgage of Plot No. 1, 2, 10 of Gat No.376/1B + 378/2 + NA Plot of Land area admeasuring 968.25 Sq. Mtr. on S. No. 254/3/1 + N.A. Plot No. 7 & 8 on S.No.484/3/1/2 3. Hypothecation of Company's Stock & Receivable of Hari Bhakti Project
8. State Bank of India (Term Loan)	12.50%	<ol style="list-style-type: none"> 1. Registered Mortgage of Hari Vasant Project on S.No.4/2A 2. Registered Mortgage of Plot No. 1, 2, 10 of Gat No.376/1B + 378/2 + NA Plot of Land area admeasuring 968.25 Sq. Mtr. on S. No. 254/3/1 + N.A. Plot No. 7 & 8 on S.No.484/3/1/2 3. Hypothecation of Company's Stock & Receivable of Hari Vasant Project
9. The Nashik Road Deolali Vyapari Sahakari Bank Ltd (Term Loan and Overdraft Facility)	13.00%	<ol style="list-style-type: none"> 1. Registered Mortgage Plot Survey No.13/3/1, Hectar 6060 Sq. Mtr 4549 Sq Mtr and Survey 306/2, Hectar 0.36R Bhagur, Nashik.
10. Shri Sai Samarth N S Pathsanstha	18.00%	<ol style="list-style-type: none"> 1. Registered mortgage of Plot Survey No. 136/5 Mounje Pathardi and Survey No.218/5B/2/1 Mouje Pathardi
11. Capri Global Capital Ltd	16.00%	<ol style="list-style-type: none"> 1. Registered mortgage of Project Land & Development Rights of Hari Vasant Project, Hari Aakruti Phase II Project, and Hari Niketan Phase II (in the name of Karda Infrastructures) + Hypothecation of Present & Future cash flows the all above projects. 2. First & Exclusive charge by way of Registered mortgage on All piece & parcels of S.No.376/1B/378/2, out of that Plot No.10, 1 & 2 admeasuring 322.89 Sq.Mtr. , 575.15 Sq.Mtr. & 876.50 Sq.Mtr respectively situated at Village Adgaon.

12. The Navjeevan Co-op Bank	12.50%	<ol style="list-style-type: none"> 1. Registered mortgage Plot Survey No. 34/3B, Hectar 10R, Mouje Sansari, Deolali Camp, Taluka Nashik, Plot Survey No 146/1+2+3, Hectar 70R, Mauje Sansari, Deolali Camp Nashik. 2. Plot at Survey No 70/1+2+3, P.No 3, 4128.53sq.mtrs. at Panchak, Taluka Nashik along with personal guarantee of Directors.
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- b) Loans from related parties are unsecured and repayable on demand. Interest on the same is provided at the rate of 15.00% p.a.

Note 9: Financial Liabilities

9(b) Other Financial Liabilities - Non Current

(INR in Million)

Particulars	31 March 2021	31 March 2020
Lease Deposits from tenants	0.35	0.35
Total	0.35	0.35

9(b) Other Financial Liabilities - Current

(INR in Million)

Particulars	31 March 2021	31 March 2020
Current Maturities of Long Term Debts	534.367	427.145
Branch - KCL DDUGKY Project	9.533	6.42
Shree Sainath Land & Development	16.289	39.828
Viva Highways Limited	-	1.57
GST Refund Application	-	0.119
Total	560.188	475.082

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

Note 10: Other Non-Current Liabilities

(INR in Million)

Particulars	31 March 2021	31 March 2020
Booking Advances from Customers:		
Against Real Estate Project	534.077	451.732
Against Plots & Land	138.244	166.172
Total	672.321	617.904

Note 11: Provisions

Non-Current Provisions

(INR in Million)

Particulars	31 March 2021	31 March 2020
Employee Benefits		
Provision for Gratuity	4.041	3.231
	4.041	3.231

Footnote:

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

Current Provisions

(INR in Million)

Particulars	31 March 2021	31 March 2020
Employee Benefits		
Salary Payable	4.847	4.531
Other Provisions for Operating Expenses	1.807	1.157
Total	6.653	5.688

Note 12: Deferred Tax Liabilities / (Deferred Tax Assets)

(INR in Million)

Particulars	31 March 2021	31 March 2020
Opening Balance	2.395	0.265
Temporary difference on account of depreciation on Property, Plant and Equipment	0.634	2.66
Deferred Tax Liabilities / (Deferred Tax Assets) – (Net)	1.761	2.395

Note 13: Trade Payables

(INR in Million)

Particulars	31 March 2021	31 March 2020
Trade Payables		
Dues to MSME	6.87	7.786
Dues to Others	150.36	136.471
Total	157.23	144.256

Footnotes:

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

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

- b) Trade payables include INR 68.70 Lakhs (As at 31st March, 2020: INR 77.86 Lakhs) due to micro, small and medium enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED).
- c) Company has not made any provision for interest to be paid / payable to micro and small enterprises during the year.
- d) The above information has been determined to the extent such parties could be identified on the basis of the information available with the Company regarding the status of parties under the MSMED Act and has been relied upon by the auditors.
- e) Trade payables include INR 1.61 lakhs (31st March, 2019: INR 1.69 lakhs) due to related parties. Kindly refer Note 25.

Note 14: Current Tax Liabilities

<i>(INR in Million)</i>		
Particulars	31 March 2021	31 March 2020
Provision for Income Tax (FY 2020-21)	76.05	32.77
Provision for Income Tax (FY 2019-20)	18.874	-
Provision for Income Tax (FY 2018-19)	7.042	24.932
Total	101.966	57.702

Note 15: Other Current Liabilities

<i>(INR in Million)</i>		
Particulars	31 March 2021	31 March 2020
Other Payables		
Statutory Dues	17.305	6.494
Total	17.305	6.494

Note 16: Revenue from Operations

<i>(INR in Million)</i>		
Particulars	31 March 2021	31 March 2020
Sale from operations		
(a) Sale of Properties / Flats (Residential and Commercial)	768.378	1026.514
(b) Sale of Land	-	-
(c) Contract Revenue Income	338.118	109.917
(d) Rental Income	1.87	2.649
(e) Other Operating Revenue		
- Profit from Partnership Firms (Net)	0.351	2.134
- Project Management Income	89.052	-
- Sales of Traded Goods – Steel & Cement	11.453	-
Total	1209.221	1141.214

Footnote:

Revenue from Operation includes Company's share of profit (net) INR 3.51 lakhs (31st March 2020: INR 21.34 lakhs) from its investment in partnership firms whose financial statements have been audited by other auditors.

Note 17: Other Income

<i>(INR in Million)</i>		
Particulars	31 March 2021	31 March 2020
(a) Interest Income		
- On Bank Deposits	5.009	3.241
- Other Financial Assets	65.612	26.55
(b) Dividend Income from		
- Current Investments (Mutual Funds)	-	-
- Equity Investments (Dividend Income from Bank)	-	0.106
(c) Profit from Redemption of Mutual Funds	0.105	11.904
(d) Other Miscellaneous Income		
- Interest on IT Refund		0.334
- Cessation of Liability	4.631	-
Total	75.356	42.135

Note 18: Cost of Construction / Development

<i>(INR in Million)</i>		
Particulars	31 March 2021	31 March 2020
Opening Stock	1640.082	1546.813
Add: Cost incurred during the year		
Cost of Land / Development Rights	58.956	46.254
Consumption of Material	343.292	478.508
Contract cost, labour, and other charges	232.237	256.686
Other construction expenses	0.106	0.101
Contract Expenses	18.226	19.798
Sub Total	652.817	801.347
Less : Closing stock	1516.594	1640.082
Total	776.304	708.078

Note 19: Employee Benefit Expenses

(INR in Million)

Particulars	31 March 2021	31 March 2020
Salaries, wages, and bonus	25.38	24.658
Salary - Directors	2.7	4.8
Sitting Fees	0.384	0.36
Contribution to Provident Fund	1.434	1.498
Contribution to ESIC Fund	0.28	0.336
Incentive to Staff	0.138	2.484
Staff Welfare Expenses	0.153	0.397
Total	30.468	34.534

Footnote:

- a) Salary to Directors is the managerial remuneration paid to the directors and the same is within the limit of 11% of eligible profits of the Company as per the provisions of section 197 & 198 of the Companies Act, 2013.

Note 20: Finance costs

(INR in Million)

Particulars	31 March 2021	31 March 2020
Interest Expenses on Borrowings	130.223	148.456
Other Borrowing Cost	12.995	25.496
Goa Site	2.335	4.566
Total	145.552	178.518

Footnote:

In line with Ind AS-23 'Borrowing Costs', the borrowing costs of INR 1455.52 Lakhs (For 2018-19: INR 1785.18 Lakhs) have been capitalized to inventory.

Note 21: Selling Expenses

(INR in Million)

Particulars	31 March 2021	31 March 2020
Marketing Expenses	33.95	61.571
	33.95	61.571

Note 22: Other Expenses

(INR in Million)

Particulars	31 March 2021	31 March 2020
Legal Fees - Project	-	0.581
Site Expenses - Indirect	-	0.059
Rates and Taxes	0.842	3.234
Compensation on Cancellation of Flat Sale	-	35.46
Office Rent	2.376	1.8
Professional Fees	6.099	10.338
Printing and Stationery	1.499	0.91
Other Expenses	3.31	7.016

Corporate Social Responsibility (CSR) (Note 22b)	3.481	3.361
Payments to Auditors (Refer Note 22a)	0.35	0.35
Total	17.957	63.109

Note 22(a): Details of Payments to Auditors

(INR in million)

Particulars	31 March 2021	31 March 2020
Payment to Auditors		
As Auditor:		
Audit Fees	0.25	0.25
Tax Audit Fees	1.00	1.00
Total	0.35	0.35

Note 22(b): Corporate Social Responsibility Expenditure

(INR in million)

Particulars	31 March 2021	31 March 2020
CSR Expenses under DDUGKY Scheme	3.1	3.163
Donations for Social Cause	0.1	-
Other	0.281	0.198
Total	3.481	33.61

Footnote:

CSR expenses under DDUGKY scheme of INR 31.00 lakhs (31st March 2020 : INR 31.63 lakhs) is in respect of contribution made by the Company for the Deen Dayal Upadhyaya Grameen Kaushalya Yojana aimed at enhancing the employability of rural youth as part of the government's skill development initiative

Note 23: Earnings Per Share:

(a) Basic Earnings Per Share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

(INR in Million)

Particulars	31 March 2021	31 March 2020
Profit attributable to equity shareholders of the Company	201.767	95.554
Weighted average number of equity shares	61.5	61.5
Nominal Value of Equity Shares	0.2	0.2
Basic EPS	0.328	0.155
Diluted EPS	0.328	0.155

For calculation of Earnings Per Share, in case of bonus issue the number of equity share outstanding before the bonus issue is adjusted for proportionate change in number of equity shares outstanding as if the bonus issue had occurred at the beginning of the earliest period reported.

Note 24: Commitments and Contingencies

Contingent Liabilities & Commitments (Not Provided for)

(INR in Million)

Particulars	31 March 2021	31 March 2020
(A) Claims against the Company not acknowledged as debts on account of :		
1. Income Tax and MVAT matters under appeal	5.402	3.763
2. TDS liability on account of short deduction, short payment and interest thereon as per TRACES	-	-
3. Towards pending legal cases	-	-
(B) On account of corporate guarantees issued by the Company to bankers and others on behalf of other companies and joint ventures for facilities availed by them (amount outstanding there against.) (Refer Footnote c)	1012.981	982.359
Total	1018.383	986.122

Footnote:

- a) Interest / penalty that may accrue on original demands are not ascertainable, at present. The Company has taken necessary steps to protect its position with respect to the above referred claims, which in its opinion, based on professional / legal advice are not sustainable.
- b) Contingent liabilities include corporate guarantees issued by the Company and relied upon by the Auditors.
- c) The management is of the view that it was necessary to provide the corporate guarantees to further the business interest of the Company in the entities on whose behalf such guarantees have been provided and the management is of the view that there would be no sustainable claims on the Company in respect of these corporate guarantees.

The rate of interest, processing fees, any other charges levied by the lenders on the entities availing loans are based on internal guidelines of the lenders depending on the merits of the underlying projects and their estimated cash flows. Majority of the corporate guarantees issued by the Company are basically to provide comfort by the Company as a shareholder of the Borrower entity to the Lenders. These corporate guarantees, in any case, do not result in any additional benefits to the borrowers. Accordingly, the fair value of the corporate guarantees is accepted to be immaterial.

Note 25: Disclosure pursuant to Indian Accounting Standard (Ind-AS) 24 Related Party Disclosures

Related parties have been identified on the basis of representation and information given by the Key Management Personnel.

Sr. No.	Key Management Personnel	Nature of Relation
1	Mr. Naresh Jagumal Karda	Key Managerial Personnel
2	Mr. Manohar Jagumal Karda	Key Managerial Personnel
3	Mrs. Disha Naresh Karda	Key Managerial Personnel
4	Mr. Sandeep Ravindra Shah	Independent Director
5	Mrs. Shweta Raju Tolani	Independent Director
6	Mr. Rahul Kishor Dayama	Independent Director
7	Mr. Liyakat Khan	Key Managerial Personnel (CFO)
8	Mrs. Mayura Shinde	Key Managerial Personnel (CS)
9	Mr. Prem Jagumal Karda	Relative of Director
10	Mr. Karamchand Karda	Relative of Director
11	Drishti Ceramics	Proprietary Firm of Director
12	Karda Constructions	Proprietary Firm of Director
13	Green Enterprises	Partnership Firm
14	Karda Infrastructures	Partnership Firm
15	Bhakti Enterprises	Partnership Firm
16	Devesh Infrastructures	Partnership Firm of Director
17	Karda Buildcon Private Limited	Associate – Common Director
18	Shree Sainath Land and Development Pvt. Ltd.	Associate – Common Director
19	The Address Hotel	Partnership Firm of Director

Footnote:

a) The transactions with the related parties are made on terms equivalent to those that prevail in arm's length transactions.

b) No amount has been provided as doubtful debt or advance written off or written back in the year in respect of debts due from/to above related parties

Transactions entered during the year with related parties:				
(INR in Million)				
Sr. No.	Name of the Party	Nature of Transactions	31 March 2021	31 March 2020
1	Mr. Prem Karda	Remuneration	0.6	1.2
2	Mrs. Disha Karda	Remuneration	0.6	1.2
3	Mr. Naresh Karda	Remuneration	0.9	1.2
4	Mr. Manohar Karda	Remuneration	0.6	1.2
5	Mrs. Disha Karda	Rent Payment	0.3	0.6
6	Mr. Naresh Karda	Rent Payment	0.3	0.6
7	Mr. Karamchand Karda	Rent Payment	0.3	0.6
8	Mrs. Shweta Tolani	Sitting Fees	0.174	0.168
9	Mr. Rahul Kishor Dayama	Sitting Fees	0.15	0.144
10	Mr. Sandeep Ravindra Shah	Sitting Fees	0.06	0.048
11	Karda Constructions	Interest Payment	1.207	1.879
12	Mr. Manohar Karda	Interest Payment	0.325	-
13	Karda Constructions	Unsecured Loans	171.443	323.681
14	Mr. Manohar Karda	Unsecured Loans	-	2.571
15	Karda Constructions	Repayment of Unsecured Loans	184.937	321.867
16	Karda Constructions	Rent income	0.031	0.031
17	Drishti Ceramics	Purchase of Material	0.031	2.177
18	Devesh Infrastructures	Rent income	0.031	0.031
19	Karda Buildcon Pvt. Ltd.	Rent income	0.031	0.031
20	Karda Buildcon Pvt. Ltd.	Contract Receipt (BSS)	3.01	-
21	The Address Hotel	Rent income	1.2	1.8
22	Green Enterprises	Profit from Firm	0.047	0.013
23	Karda Infrastructures	Profit from Firm	0.734	2.133
24	Karda Infrastructures	Interest Receipts	14.786	8.955
25	Karda Constructions	Rent income	0.031	0.031
26	Bhakti Enterprises	Profit from Firm	0.001	0.014
27	Bhakti Enterprises	Interest Receipt	11.72	5.722
28	Bhakti Enterprises	Rent income	0.031	0.031
29	Shree Sainath Land and Development Pvt. Ltd.	Civil Contract Receipts (Sales)	112.683	44.683
30	Shree Sainath Land and Development Pvt. Ltd.	Contract Receipt (BSS)	52.342	-
31	Shree Sainath Land and Development Pvt. Ltd.	Rent income	0.031	0.031

	Balances outstanding at the end of the year			
1	Mr. Prem Karda	Remuneration	1.621	1.078
2	Mrs. Disha Karda	Remuneration	0.389	0.443
3	Mr. Naresh Karda	Remuneration	-	0.1
4	Mr. Manohar Karda	Remuneration	1.076	0.878
5	Mrs. Disha Karda	Rent Payment	0.015	0.09
6	Mr. Naresh Karda	Rent Payment	-	0.054
7	Mr. Karamchand Karda	Rent Payment	0.815	0.54
8	Karda Constructions	Unsecured Loans	0.322	12.7
9	Mr. Manohar Karda	Unsecured Loans	3.008	2.707
10	Drishti Ceramics	Purchase of Material	0.161	0.169
11	Green Enterprises	Closing Capital Balance in Partnership Firms	10.225	10.374
12	Karda Infrastructures		346.776	287.093
13	Bhakti Enterprises		199.979	167.742
14	Shree Sainath Land and Development Pvt. Ltd.	Advance received against Civil Contract	16.289	39.828
15	Karda Buildcon Private Limited	Receivable against Contract (BSS)	3.326	-

Note 26: Financial Risk Management Objectives and Policies

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's senior management oversees the management of these risks. The Company's senior management provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured, and managed in accordance with the Company's policies and risk objectives.

1. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument which fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Major financial instruments affected by market risk include loans and borrowings.

(a) Interest rate risk

Majority of the long-term borrowings of the Company bear fixed interest rate and thus interest rate risk is limited for the Company.

(b) Foreign currency risk

The Company is engaged in real estate business and the imports made by the Company are 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 is contributed by trade receivables, unbilled revenue, cash and cash equivalents and receivables from group companies.

- (a) Receivables resulting from sale of properties:** Customer credit risk is managed by requiring customers to pay advances before transfer of ownership, thereby substantially eliminating the Company's credit risk in this respect.
- (b) Receivables resulting from other than sale of properties:** Credit risk related to such receivables is managed as per Company's established policy, procedures, and control. Outstanding customer receivables are regularly monitored. The impairment analysis is performed at each reporting date on an individual basis for major receivables. The Company does not hold collateral as security. The Company's credit period generally ranges from 30 to 90 days.
- (c) Credit risk on cash and cash equivalents is limited as the Company generally invests deposit with banks which have high credit ratings.**

3. Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Management monitors rolling forecasts of the Company's liquidity position on the basis of expected cash flows. This monitoring includes financial ratios and takes into account the accessibility of cash and cash equivalents.

The Company has access to funds from debt markets through loan from banks, commercial papers, fixed deposits from public and other debt instruments. The Company invests its surplus funds in bank fixed deposits and debt based mutual funds.

Note 27:

Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's management is to maximize 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 Million)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Borrowings including current maturities	921.47	990.6
Interest accrued and due/and but not due	-	-
Unpaid matured debentures and interest accrued thereon	-	-
Total Debt	921.47	990.6
Less : Cash & Cash Equivalents	-	-
Net Debt (A)	921.47	990.6
Equity Share Capital	123	123
Other Equity	1107.424	908.786
Total Equity (B)	1230.424	1031.786
Debt Equity Ratio (A/B)	0.075	0.096

Note 28: Categories of Financial Instruments Fair Value Measurement

(INR in Million)

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
	FVPL / FVOCI	Amortised Cost	FVPL / FVOCI	Amortised Cost
Financial Assets				
Investments	-	560.123	-	468.469
Trade Receivables	-	298.874	-	121.577
Cash and cash equivalents	-	3.679	-	3.682
Loans & Advances	-	509.454	-	448.774
Other Financial Assets	-	171.56	-	138.499
Total	-	1543.69	-	1181.001
Financial Liabilities				
Borrowings	-	921.471	-	990.6
Trade Payables	-	157.23	-	144.256
Other Financial Liabilities	-	560.538	-	475.432
Total	-	1639.239	-	1610.288

Note 29: Employee Benefits

a) Defined Contribution Plans:

Contribution to Defined Contribution Plans recognized as expense for the year are as under:

(INR in Million)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Employer's Contribution to Provident Fund (Gross before Allocation)	1.434	1.498
Employer's Contribution to ESIC	0.28	0.336

b) Defined Benefit Plans:

Contribution to Gratuity Fund (Non-Funded)

Gratuity is payable to all eligible employees on death or on separation/ termination in terms of the provisions of the Payment of Gratuity Act or as per the Company's policy whichever is beneficial to the employees.

The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion, and other relevant factors, such as supply and demand in the employment market.

Note 30: Leases

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

(INR in Million)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Operating lease expenses recognised in profit and loss account	2.376	1.938

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 recognized Deferred Tax Assets of ₹6.34 Lakhs in the Profit and Loss Account, the details of which areas under:

<i>(INR in Million)</i>		
Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Deferred Tax Liabilities (Opening balance)	2.395	0.265
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	0.634	2.66
Deferred Tax Liabilities (Net)	1.761	2.395

Note 32:

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

Note 33: Segment Reporting

a) Basis of Segmentation

Factors used to identify the entity's reportable segments, including the basis of organization

b) Geographical Information

The geographic information analyses the Company's revenue and Non-Current Assets by the Company's country of domicile and other countries. As the Company is engaged in Development of Real Estate property & Civil Contracting Business in India, it has only one reportable geographical segment.

c) Information about major customers

None of the customers for the years ended March 31, 2021 and March 31, 2020 constituted 10% or more of the total revenue of the Company.

Audited Standalone Segment wise Revenue, Results, Assets and Liabilities for the year ended March 31, 2021:

(INR in Million)

	Particulars	Year Ended	
		31-Mar-21	31-Mar-20
		Audited	Audited
I	Segment Revenue		
	(a) Real Estate	871.104	1031.297
	(b) Civil Contracting Business	338.118	109.917
	Total Segment Revenue	1209.221	1141.214
	Less: Inter segment revenue		-
	Net income from Operations	1209.221	1141.214
II	Segment Results (Profit before unallowable (expenditure) / income, interest, and finance charges and tax)		
	(a) Real Estate	243.19	243.853

	(b) Civil Contracting Business	107.076	29.127
	Total Segment Results	350.266	272.98
	Add/(Less):		
	Less : Finance Cost	145.552	178.518
	Add: Unallocated Income	75.356	42.135
	Less: Unallocated Expenses	0.81	10.123
	Profit Before Tax	279.261	126.474
II	Segment Assets		
I	(a) Real Estate	2584.756	2588.124
	(b) Civil Contracting Business	435.35	222.666
	Total Segment Assets	3020.106	2810.79
	Add: Unallocated assets	117.476	95.159
	Total Assets	3137.582	2905.949
	Segment Liabilities		
	(a) Real Estate	1731.573	1743.324
	(b) Civil Contracting Business	51.551	62.988
	Total Segment Liability	1783.124	1806.312
	Add: Unallocated liabilities	124.034	67.85
	Total Liabilities	1907.158	1874.162

- (1) Unallocated income comprise of other income shown in the financial results.
(2) Unallocated assets primarily comprise of corporate investments and property, plant, and equipment.
(3) Unallocated liabilities include deferred tax liabilities.

Note 34 : Corporate Social Responsibility

The Company has spent INR 34.81 Lakhs during the year (Previous Year 2020 : INR 33.61 Lakhs) as per the provisions of Section 135 of the Companies Act, 2013 towards Corporate Social Responsibility (CSR) activities grouped under 'Other Expenses'.

- (a) Gross amount required to be spend by the Company during the year is INR 31.57 Lakhs (Previous Year 2019: INR 31.43 Lakhs).
(b) Amount spent during the year on:

(INR in Million)

Particulars	Amount Spent in Cash	Amount yet to be paid in Cash	Total Amount
Year ended March 31, 2021			
(i) Construction / Acquisition of any Asset	-	-	-
(ii) On purposes other than (i) above	3.481	-	3.481
Year ended March 31, 2020			
(i) Construction / Acquisition of any Asset	-	-	-
(ii) On purposes other than (i) above	3.361	-	3.361

Note 35 :

Disclosure of outstanding dues of Micro and Small Enterprise under Trade Payables is based on the information available with the Company regarding the status of the suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006. There is no undisputed amount overdue during the years ended and as at March 31, 2021 and March 31, 2020 to Micro, Small and Medium Enterprises on account of principal or interest.

Note 36 :

Cash and Cash Equivalents and Bank Balances include balances in Escrow Account which shall be used only for specified purposes as defined under Real Estate (Regulation and Development) Act, 2016.

Note 37 :

The financial statements for the year ended 31 March 2021 were approved by the Board of Directors and authorized for issue on 31 May 2021.

Note 38:

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

Note 39:

The Company has assessed the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of Receivables, Inventories, Investments, and other assets / liabilities. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these standalone financial statements has used internal and external sources of information. As on current date, the Company has concluded that the impact of COVID – 19 is not material based on these estimates. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties in future periods, if any.

As per our report of even date

For Sharp Aarth & Co
Chartered Accountants
(Firm Registration No. 132748W)

For and on behalf of the Board of Directors of
Karda Constructions Limited
CIN – L45400MH2007PLC174194

NARESH KARDA
Chairman & MD
DIN: 01741279

MANOHAR KARDA
Whole Time Director
DIN : 01808564

CA VIPUL LATHI
Partner

Membership No.134897

YAKAT M KHAN

Chief Financial Officer

LI

MAYURA MARATHE
Company Secretary

Place : Nashik Date: 31 May, 2021

Place :
Nashik
Date:
31
May,
2021

Notice

Notice is hereby given that the 14th Annual General Meeting of the members of KARDA CONSTRUCTIONS LIMITED will be held on Saturday, 7th August, 2021 at 12.30 p.m., Indian Standard Time (“IST”), through Video Conferencing/ Other Audio Visual Means (“VC/OAVM”) Facility to transact following business:

Ordinary Businesses: -

1. To receive, consider and adopt the audited standalone financial statements of the Company for the Financial Year ended March 31, 2021, the report of the Board of Directors and Auditors thereon.
2. To declare Final Dividend on equity shares for the financial year ended March 31, 2021
3. To appoint a Director in place of Mrs. Disha Karda (DIN: 06424475), who retires by rotation and being eligible, offers herself for reappointment.

Special Businesses: -

4. To ratify remuneration payable to the Cost Auditors, M/s. C Y & Associates for the Financial Year 2021-2022

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

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of ₹ 65,000/- (Rupees Sixty- Five Thousand only) plus applicable taxes and reimbursement of actual travelling and out of pocket expenses, to be paid M/s. C Y & Associates, (Firm Registration No.00334), Cost Auditors of the Company, for the Financial Year 2021-22 as approved by the Board of Directors of the Company, at its Meeting held on 31st

May, 2021, be and is hereby ratified and confirmed.

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

5. Sub-Division of equity shares from the Face Value of ₹ 2/- to Face Value of ₹ 1/- per share

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

“RESOLVED THAT pursuant to the provision of Section 61(d), 64 and all other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder (including any statutory modification or re-enactment thereof, for the time being in force), and in accordance with provisions of Memorandum of Association and Article 15 of the Articles of Association of the Company and subject to the approvals, consents, permissions and sanctions, if any, the consent of the members of the Company be and is hereby accorded to sub-divide each Equity Share of the Company having Face value of ₹ 2/- (Rupees Two only) into ₹ 1/- (Rupee One only) each fully paid-up of the Face value of Equity shares and consequently, the Authorized Share Capital of the Company of ₹ 20,00,00,000 /- (Rupees Twenty Crore only) would comprise of 20,00,00,000 (Twenty Crore) Equity Shares of ₹1/- (Rupee One only) each with effect from the “Record Date” to be determined by the Board for this purpose.

RESOLVED FURTHER THAT pursuant to the sub-division of the equity shares of the Company, all the issued, subscribed and paid up equity shares of face value of ₹ 2/- (Rupees Two only) each of the Company existing on the record date to be fixed by the Company shall stand sub-divided

into equity shares of face value of ₹ 1/- (Rupees One only) each fully paid up, without altering the aggregate amount of such capital and shall rank pari passu in all respects with the existing fully paid equity share of ₹ 2/- each of the Company and shall be entitled to participate in full dividend to be declared after subdivided Equity shares are allotted.

RESOLVED FURTHER THAT upon sub-division of Equity Shares the members holding the equity shares in dematerialised form, the subdivided equity shares of nominal value of ₹ 1/- (Rupee One only) each shall be credited to the respective beneficiary account of the members with their respective depository participants.”

6. Alteration of Clause V of the Memorandum of Association of the Company

To consider and if thought fit, to give assent or dissent to the following resolution proposed to be passed as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions contained in Section 13, 61 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s), amendment, or re-enactment thereof), with the approval of the members the existing Clause V of the Memorandum of Association of the Company be and is hereby amended by deletion of the existing Clause V and by substitution thereof by the following clause:

‘V. The Authorized Shares Capital of the Company is ₹ 20,00,00,000/- (Rupees Twenty Crore only) divided into 20,00,00,000 (Twenty Crore) Equity Shares of ₹ 1/- (Rupee One only) each.’

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board or any committee of board thereof be and is hereby authorised to take such steps as may be necessary for obtaining approvals, statutory, contractual, or otherwise, in relation to the above and to do all such acts, deeds, matters, and things and to give such directions as may be

necessary or expedient and to settle any question, difficulty or doubt that may arise in this regard as the Board in its absolute discretion may deem necessary or desirable and its decision shall be final and binding.”

7. Increase the Authorised Share Capital of the Company to enable further issue of shares and alter the Capital clause of the ‘Memorandum of Association’ of the Company:

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

“RESOLVED THAT in accordance with the provisions of Sections 13 and 61 and all other applicable provisions of the Companies Act, 2013 and rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Articles of Association of the Company, approval of the members be and is hereby accorded to increase the Authorised Share Capital of the Company from ₹ 20,00,00,000/- (Rupees Twenty Crores) divided into 20,00,00,000 (Twenty Crores) equity shares of ₹ 1/- (Rupees One only) each to ₹ 75,00,00,000/- (Rupees Seventy Five Crores Only) by creation of additional 55,00,00,00 (Fifty Five Crore) equity shares of ₹ 1/- (Rupees One only) each ranking pari-passu in all respect with the existing Equity Shares of the Company and consequently, the existing Clause V of the Memorandum of Association of the Company be and is hereby altered and substituted by the following as new Clause:

‘V. The Authorised Share Capital of the Company is ₹ 75,00,00,000/- (Rupees Ninety Crores Only) divided into 75,00,00,000 (Ninety Crores) equity shares of ₹ 1/- (Rupees One only) each.’

Any shares of the original or increased capital may, from time to time be issued with such terms, conditions, restrictions and guarantees, or any rights of preference whether in respect of dividend or of repayment of capital or both or any other special privileges or advantage over any shares previously issued or then about to be

issued, or with deferred or qualified rights to any provisions or conditions and with any special rights or limited rights, or without any rights of voting and generally on such terms as the Company may from time to time determine. The rights of the holders of any class of shares, for the time being forming part of the capital of the Company, may be modified, affected, varied, extended, or surrendered either with the consent in writing of the holders of three fourths of the issued shares of the class or with the sanction of a special Resolution passed at a separate meeting of the holders of those shares.

RESOLVED FURTHER THAT the Board of Directors ('the Board', which term shall include any Committee authorised by the Board to exercise its powers including powers conferred on the Board by this resolution) of the Company be and is hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper, expedient or desirable for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto, including delegation of any of the powers herein conferred to on any Director(s), Company Secretary or any other officer of the Company."

8. Issue of Bonus Shares in the ratio of 4:1

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

"RESOLVED THAT pursuant to the provisions of Section 63 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, Foreign Exchange and Management Act, 1999, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, other applicable provisions of regulations and guidelines issued by the Securities and Exchange Board of India (SEBI) and Reserve Bank

of India (RBI) from time to time, and in accordance with the provisions contained in the Articles of Association of the Company and pursuant to the recommendation of the Board of Directors of the Company ('the Board', which term shall include any Committee authorised by the Board to exercise its powers including powers conferred on the Board by this resolution), and subject to such other approvals, consents, permissions as may be necessary, consent of the members be and is hereby accorded to capitalize the sum of ₹ 49,20,00,000/- (Rupees Forty Nine Crore Twenty Lakhs only) out of the ₹ 73,82,91,096/- (Rupees Seventy Crores Eighty Two Lakhs Ninety One Thousand Ninety Six only) i.e. permissible reserves (Free Reserves and/ or Securities Premium Account) for the purpose of issuance of fully paid up bonus equity shares to the shareholders of the Company, whose names appear in the Register of Members maintained by the Company/ List of Beneficial Owners of the Depositories as on the record date to be determined by the Board in proportion of 4:1 i.e. 4 (Four) equity shares of nominal value ₹ 1/- (Rupees One only) each fully paid up for every 1 (One) equity share of nominal value of ₹ 1/- (Rupees One only) each and that the new bonus equity shares so issued and allotted shall, for all purposes, be treated as an increase in the paid-up capital of the Company held by each such Member.

RESOLVED FURTHER THAT all such bonus equity shares as and when issued shall be issued subject to the provisions of Articles of Association of the Company and shall rank pari passu and carry same rights with the existing equity shares of the Company in all respect.

RESOLVED FURTHER THAT the allotment of bonus equity shares to the extent that they relate to nonresident members of the Company, shall be subject to the approval, if any, of the Reserve Bank of India under the Foreign Exchange Management Act, 1999, as may be necessary or applicable.

RESOLVED FURTHER THAT in case of members

who hold shares in dematerialisation form, the bonus equity shares shall be credited to the respective beneficiary accounts of the members with their respective Depository Participant(s) and in case of the members who hold equity shares in physical form, the share certificate(s) in respect of the bonus equity shares shall be dispatched, within such times as prescribed under the law and by the relevant authorities.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take necessary steps for listing of the Equity Shares so allotted at the Stock Exchanges where the equity shares of the Company are listed as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and other applicable Laws, Rules, and Regulations.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things whatsoever, including settling any questions, doubts or difficulties that may arise with regard to or in relation to the issue or allotment of the bonus shares and to accept on behalf of the Company, any conditions, modifications, alterations, changes, variations in this regard as prescribed by the statutory authority (ies) and which the Board in its discretion thinks fit and proper.

RESOLVED FURTHER THAT the Board be and is hereby further authorized to delegate all or any of the powers conferred by this resolution on it, to any committee or subcommittee of Board of Directors or any other Director(s), Company Secretary or any other Officer(s) of the Company to give effect to this resolution, with the power to such committee/ sub- committee of the Board to further delegate all or any of its powers/ duties to any of its members.”

9. Change of Name by the Company

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

“RESOLVED THAT pursuant to Section 13(2) of

the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force) and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Incorporation) Rules, 2014, subject to approval of the Central Government (power delegated to Registrar of Companies) and any other Regulatory Authorities as may be necessary, consent of the members be and is hereby accorded to change the name of the Company from “KARDA CONSTRUCTIONS LIMITED” to “KBC GLOBAL LIMITED” or any other name as may be approved by the Central Government, Registrar of Companies, Mumbai, whether under the Companies Act, 2013 or any other Rules, Laws, Acts, Statutes or Regulations as may be applicable to the Company.

FURTHER RESOLVED THAT the Name Clause being Clause I in the Memorandum of Association of the Company be altered accordingly and substituted by the following clause:

1. The Name of the Company is KBC Global Limited

FURTHER RESOLVED THAT in terms of Section 14 of the Companies Act, 2013 the Articles of Association of the Company be altered by deleting the existing name of the Company wherever appearing and substituting it with the new name of the Company. **FURTHER RESOLVED THAT** the Board of Directors or any Committee thereof be and is hereby authorized to accept any other name approved by the relevant Regulatory Authorities and seek approval for the change in the name of the Company accordingly without making any further reference to the members for their approval.”

10. Substitution of main Object Clause of the Company

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

“RESOLVED THAT pursuant to Section 13(9) of the Company Act, 2013 and all other applicable provisions, if any, of the Companies Act, 2013 and rules made under there under and subject to approval of the Registrar of Companies, Mumbai and all other relevant authorities governed by SEBI, if any, Company be and is hereby authorised to alter the Main Object clause as following new clause:

1. To carry on all the business of builders, real estate-developers, contractors, sub- contractors, dealers and by advancing money to and enter into contracts and arrangements of all kinds with builders, tenants, occupiers and others, land development, service apartments ,serviced plots, constructions of residential and commercial premises including business centers and offices, securing lands ,private or Government for formation and development of town ships, and to deal in and act as agents for lands ,buildings, factories, houses, .flats and other residential and commercial plots ,and construct/maintain and alter residential, commercial , industrial plots and properties and sale or lease them out by providing with all modern amenities and development thereof and securing capital, funds and raising loans for construction and advancing to other organizations for similar purposes.
2. To provide City and region level urban infrastructure facilities, to lay-out, develop, construct, build, acquire, erect, demolish, re- erect, alter, modify, repair, re-model, or to do any other work in connection with any building or building works, roads, highways, bridges, sewers, canals, wells, dams, power plants, reservoirs, tramways, railways, sanitary, water, gas, electric lights, telephonic and telegraphic works, and such purposes to prepare in designing, estimating, planning, modelling.
3. To carry on the business of construction, builders, contractors, engineers, colonizers, town planners, surveyors, values, appraisers, decorators, furnishers, manufacturers of prefabricated and pre casted houses, and to

acts agents and contractors for the purposes of real estates, residential complexes / flats / enclave / commercial complexes / multi storied buildings etc., and to carry on all types of construction activities, and act as consultants, advisors, technical consultants, collaborators, designers and architects for all kinds of construction activities in India and abroad and to undertake all civil, mechanical, electrical works, all types of infrastructure facilities like BOOT (Built, Operate, Own and Transfer), BOT (Built, operate and Transfer), BOLT (Built, Operate, Lease and Transfer), BOO (Built, Operate and Own) in India or abroad either or its own or with joint venture with any other Indian or Foreign participant.

4. To carry on in India or elsewhere the business of prospecting, exploring, operating and working on mines, quarries and to win, set, crush, smelt, manufacture, process, excavate, dig, break, acquire, develop, exercise, turn to account, survey, produce, prepare, remove, undertake, barter, convert, finish, load, unload, handle, transport, buy sell, import, export, supply, and to act as agent, broker, stockiest, distributor, consultant, contractor, manager, operator or otherwise to deal in all sorts of presents and future ores, minerals, deposits, goods, substances & materials, including sands, stones, and soils

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take all the requisite, incidental, consequential steps to implement the above resolution and to perform all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, any question, query, or doubt that may arise in this regard, and to execute/publish all such notices, deeds, agreements, papers and writings as may be necessary and required for giving effect to this resolution.”

11. Re-appointment of Mr. Naresh Karda as Chairman & Managing Director of the Company

To consider and, if thought fit, to pass with or without modification, the following resolution as a

Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (‘Act’) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including any statutory modification(s) or re-enactment thereof for the time being in force, the approval of the Members be and is hereby accorded for the re-appointment of Mr. Naresh Karda (DIN: 01741279), as a chairman & Managing Director of the Company for a period of 5 (five) consecutive years as per the following terms:

Term of Appointment:

With effect from February 2, 2021 till February 1, 2026.

Remuneration:

Fixed Salary: In the range of ₹ 12,00,000 (Rupees Twelve Lakhs only) per annum. The fixed salary can be paid as basic salary and various allowances like Leave Travel Allowance, Commutation Allowance, House Rent Allowance, and Company leased car & accommodation, etc. which one can plan as per the Company policy.

Commission: The commission may be paid on the quarterly net profits of the Company computed in accordance with the provisions of the Companies Act, 2013.

Other Perquisites and Benefits:

a. Furniture & Equipment Program: As per Company’s policy.

b. Personal Accident Insurance, Group Life Insurance: Personal accident cover and group life insurance cover is as per the Company’s policy.

c. Medical: Reimbursement of self, spouse, and dependent children up to maximum of one month’s basic pay as per the Company’s policy. In addition, he will be entitled to medical insurance

and annual health check-up as per Company’s policy.

Other Perquisites and Benefits:

a. Leave with full pay and allowance: Leave with full pay and allowance as per Company’s policy.

b. Reimbursement of travel, stay and entertainment expenses actually and properly incurred in the course of business as per the Company’s policy.

b. Minimum remuneration: Notwithstanding anything to the contrary herein contained, where in any financial year during the tenure of the Executive Chairman, the Company has no profits, or its profits are inadequate, the Company will pay remuneration by way of salary including perquisites and allowance as specified under Section II of Part II of Schedule V to the Companies Act, 2013.

c. Sitting Fees: The Executive Chairman shall not be entitled to sitting fees for attending the meetings of the Board of Directors of the Company or committees thereof.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter and vary the terms and conditions of the appointment and/or remuneration based on the recommendation of the Board Nomination and Remuneration Committee subject to the same not exceeding the limits specified under Section 197 read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force).

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution.”

12. *Re-appointment of Mr. Manohar Jagumal Karda as Whole-Time Director of the Company*

To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 (‘Act’) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including any statutory modification(s) or re-enactment thereof for the time being in force, the approval of the Members be and is hereby accorded for the re-appointment of Mr. Manohar Jagumal Karda (DIN: 01808564), as Whole-Time Director of the Company for a period of 5 (five) consecutive years as per the following terms:

Term of Appointment:

With effect from February 2, 2021 till February 1, 2026.

Remuneration:

Fixed Salary: In the range of ₹ 12,00,000 (Rupees Twelve Lakhs only) per annum. The fixed salary can be paid as basic salary and various allowances like Leave Travel Allowance, Commutation Allowance, House Rent Allowance, and Company leased car & accommodation, etc. which one can plan as per the Company policy.

Commission: The commission may be paid on the quarterly net profits of the Company computed in accordance with the provisions of the Companies Act, 2013.

Other Perquisites and Benefits:

a. Furniture & Equipment Program: As per Company’s policy.

b. Personal Accident Insurance, Group Life

Insurance: Personal accident cover and group life insurance cover is as per the Company’s policy.

c. Medical: Reimbursement of self, spouse, and dependent children up to maximum of one month’s basic pay as per the Company’s policy. In addition, he will be entitled to medical insurance and annual health check-up as per Company’s policy.

d. Leave with full pay and allowance: Leave with full pay and allowance as per Company’s policy.

e. Reimbursement of travel, stay and entertainment expenses actually and properly incurred in the course of business as per the Company’s policy.

f. Minimum remuneration: Notwithstanding anything to the contrary herein contained, where in any financial year during the tenure of the Executive Chairman, the Company has no profits, or its profits are inadequate, the Company will pay remuneration by way of salary including perquisites and allowance as specified under Section II of Part II of Schedule V to the Companies Act, 2013.

g. Sitting Fees: The Executive director shall not be entitled to sitting fees for attending the meetings of the Board of Directors of the Company or committees thereof.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter and vary the terms and conditions of the appointment and/or remuneration based on the recommendation of the Board Nomination and Remuneration Committee subject to the same not exceeding the limits specified under Section 197 read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force).

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds and things and execute all such documents,

instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution.”

13. To approve raising of funds in one or more tranches, by issuance of securities by way of private offerings, qualified institutions placement(s) and/or any combination thereof or any other method as may be permitted under applicable law for an amount up to ₹ 750 crore

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

“RESOLVED THAT pursuant to Sections 23, 41, 42, 62, 71, and other applicable provisions of the Companies Act, 2013 and the applicable rules made thereunder (including the Companies (Offering Memorandum and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014), each including any amendment(s), statutory modification(s), or re-enactment(s) thereof (“Companies Act”) and in accordance with the provisions of the Memorandum of Association and Articles of Association of the Company, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“SEBI ICDR Regulations”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Foreign Exchange Management Act, 1999 and the regulations made thereunder, including the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, the Standalone FDI Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India from time to time, the Issue of Foreign Currency Convertible Bonds and Ordinary / Equity Shares (Through Depository Receipt Mechanism) Scheme, 1993, the Depository Receipts Scheme, 2014 each as amended, the listing agreements entered into by the Company with the stock exchanges where the equity shares of the Company are listed (“Stock Exchanges”, and such equity shares, the “Equity Shares”); and any other provisions of applicable laws (including all other

applicable statutes, clarifications, rules, regulations, circulars, notifications, and guidelines issued by the Government of India (“GoI”), Ministry of Corporate Affairs (“MCA”), Reserve Bank of India (“RBI”), Securities and Exchange Board of India (“SEBI”), Stock Exchanges, and such other statutory / regulatory authorities), and subject to all approvals, permissions, consents, and / or sanctions as may be necessary or required from SEBI, the Stock Exchanges, RBI, MCA, GoI, or any other concerned statutory / regulatory authorities, and subject to such terms, conditions, or modifications as may be prescribed or imposed while granting such approvals, permissions, consents, and / or sanctions by any of the aforesaid authorities, which will be considered by the Board of Directors of the Company (“Board”, which term shall include any committee which the Board may have constituted or may hereinafter constitute to exercise its powers, including the powers conferred by this resolution), approval of the members of the Company be and is hereby accorded to the Board and the Board be and is hereby authorised to offer, issue, and allot (including with provisions for reservations on firm and / or competitive basis, or such part of the issue and for such categories of persons as may be permitted) any instrument or security, including Equity Shares, fully / partly convertible debentures, global depository receipts, American depository receipts, foreign currency convertible bonds, non-convertible debentures, warrants (collectively, the “Securities”), or any combination of Securities, to all or any such investors, jointly and / or severally, that may be permitted to invest in such issuance of Securities, including resident or non-resident / foreign investors (whether institutions and / or incorporated bodies and / or trusts or otherwise) / foreign portfolio investors / mutual funds / pension funds / venture capital funds / banks / alternate investment funds / Indian and / or multilateral financial institutions / insurance companies / any other qualified institutional buyers as defined under the SEBI ICDR Regulations (“QIBs”) / any other category of persons or entities who are authorised to invest in the Securities in terms of applicable law, as may be deemed appropriate by the Board in its absolute discretion and whether or not such investors are members of the Company, for cash, in

one or more tranches, with or without a green shoe option, to raise funds for an aggregate consideration of up to ₹ 750 crore only (Rupees Seven Hundred and Fifty crore), through a public issue, rights issue, preferential allotment, or a private placement (including one or more qualified institutions placements (“QIPs”) in accordance with the applicable provisions of the Companies Act and the SEBI ICDR Regulations), or through any other permissible mode and / or combination thereof as may be considered appropriate, to be to be subscribed to in Indian and / or any foreign currency by all eligible investors, through the issuance of an offer document(s) / letter(s) / circular(s) / placement document(s), as permitted under applicable laws and regulations, at such price(s) (including at a discount or premium to market price or prices permitted under applicable law), in such manner, and on such terms and conditions as may be deemed appropriate by the Board in its absolute discretion, including the discretion to determine to whom the offer, issue and allotment of Securities; making of calls and manner of appropriation of application money or call money, in respect of different class(es) of investors and / or in respect of different Securities; number of securities to be issued; face value; number of Equity Shares to be issued and allotted on conversion / redemption / extinguishment of debt(s); rights attached to the warrants; period of conversion; fixing of record date(s); and / or book closure date(s) subject to the applicable laws considering the prevailing market conditions and / or other relevant factors, and wherever necessary, in consultation with the book running lead managers and / or other advisors appointed.

RESOLVED FURTHER THAT in case of an issue and allotment of Securities by way of a QIPs in terms of the SEBI ICDR Regulations:

- (i) the allotment of the Securities shall be completed within 365 days from the date of passing of the special resolution by the members of the Company;
- (ii) the Equity Shares to be offered, issued, and allotted shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Company and shall rank pari

passu in all respects with the existing Equity Shares;

- (iii) no partly paid-up Equity Shares or other Securities shall be issued / allotted;
- (iv) the issuance of the Securities by way of the QIPs shall be made at such price that is not less than the price determined in accordance with the pricing formula provided under Regulation 176(1) of the SEBI ICDR Regulations (“QIP Floor Price”), and the price determined for the QIPs shall be subject to appropriate adjustments as per the provisions of the SEBI ICDR Regulations, as may be applicable. However, the Board, at its absolute discretion, may offer a discount of not more than 5% or such other percentage as may be permitted under applicable law on the QIP Floor Price;
- (v) no single allottee shall be allotted more than 50% of the issue size and the minimum number of allottees shall be in accordance with the SEBI ICDR Regulations; and
- (vi) The Company shall not undertake any subsequent QIP until the expiry of two weeks from the date of the QIP to be undertaken pursuant to this special resolution.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the Securities may have such features and attributes or any terms or combination of terms in accordance with domestic and international practices to provide for the tradability and free transferability thereof as per prevailing practices and regulations in the capital markets and the Board be and is hereby authorised, in its absolute discretion, in such manner as it may deem fit, to dispose of such of the Securities that are not subscribed to.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the Board be and is hereby authorised to do such acts, deeds, and things, in its absolute discretion, as it deems necessary or desirable in connection with offering, issuing, and allotting the Securities, and to give effect to these resolutions, including, without limitation, the following:

- a.offer, issue and allot all / any of the Securities, subject to such terms and conditions, as the Board may deem fit and proper in its absolute discretion;
- b.determining the terms and conditions of the issuance, including among other things, (a)terms for issuance of additional Securities and for disposal of Securities which are not subscribed to by issuing them to banks / financial institutions / mutual funds or otherwise, (b)terms as are provided in domestic offerings of this nature, and
 (c) terms and conditions in connection with payment of interest, dividend, voting rights, premium and redemption or early redemption, conversion into Equity Shares, pricing, variation of the price or period of conversion, and / or finalizing the objects of the issuance and the monitoring of the same;
- c. approve, finalise, and execute any preliminary as well as final offer document(s) (including, among other things, any draft offer document, offering Memorandum, registration statement, Offering Memorandum, placement document, private placement offer letter, letter of offer, and / or other letter or circular), and to approve and finalise any bid cum application form(s), abridged letter(s) of offer, 4 notices, including any advertisements and other documents or any term sheets or any other ancillary documents in this regard;
- d.decide the form, terms, and timing of the issue(s) / offering(s), Securities to be issued and allotted, class of investors to whom Securities are to be offered, issued, and allotted, number of Equity Shares to be issued and allotted in each tranche;
- e.issue and allot such number of Equity Shares, as may be required to be issued and allotted, upon conversion of any Securities, or as may be necessary in accordance with the terms of the issuance all such Equity Shares ranking pari passu with the existing Equity Shares in all respects;
- f. approve, finalise, execute, and amend agreements and documents, including, any number of powers of attorney, lock-up letters, agreements in connection with the creation of any security, and agreements in connection with the appointment of any intermediaries and / or advisors, (including for underwriting, marketing, listing, trading, appointment of lead manager(s) / merchant banker(s), legal counsel, depository(ies), banker(s), advisor(s), registrar(s), trustee(s), and other intermediaries as required), and to pay any fees, commission, costs, charges, and other expenses in connection therewith;
- g.provide such declarations, affidavits, certificates, consents and / or authorities as required from time to time;
- h.seek any consents and approvals, including, among others, the consent(s) from the Company's lenders, customers, vendors, parties with whom the Company has entered into agreements, and from concerned statutory and regulatory authorities;
- i. file requisite documents with the SEBI, Stock Exchanges, the GoI, the RBI, and any other statutory and / or regulatory authorities, and any amendments, supplements or additional documents in relation thereto, as may be required;
- j. seeking the listing of the Securities on any stock exchange(s), submitting the listing application(s) to such stock exchange(s), and taking all actions that may be necessary in connection with obtaining such listing approvals (both in-principle and final listing and trading approvals);
- k.open one or more bank accounts in the name of the Company, as may be required, subject to requisite approvals, if any, and to give such instructions including closure thereof as may be required and deemed appropriate by the Board;
- l. approving the issue price and finalize allocation and the basis of allotment(s) of the Securities on the basis of the bids / applications and oversubscription thereof as received, where applicable;
- m. acceptance and appropriation of the proceeds of the issue of the Securities;
- n.affix the common seal of the Company, as required, on any agreement(s), undertaking(s), deed(s) or other document(s), in the presence of any one or more of the Directors of the Company or any one or more of the officers of the Company as may be authorised by the Board in accordance with the Memorandum of Association and Articles of Association of the Company;

o.further authorise and empower any committee and / or director(s) and / or officer(s) of the Company, to execute and deliver, for and on behalf of the Company, any and all other documents or instruments and doing or causing to be done any and all acts or things as the committee / director(s) / officer(s) may deem necessary, appropriate or advisable in order to carry out the purposes and intent of the foregoing, or in connection with the issuance of Securities, and any documents or instruments so executed and delivered or acts and things done or caused to be done by the committee / director(s) / officer(s) shall be conclusive evidence of the authority of the committee / director(s) / officer(s) and the Company in doing so; and

p.do all such incidental and ancillary acts and things as may be deemed necessary, and to give such directions that may be necessary or settle any issues, questions, difficulties or doubts that may arise in regard to or in connection with any matter(s) referred to or contemplated in any of this resolution and the members of the Company shall be deemed to have given their approval thereto expressly by the authority of this resolution and all actions taken by the Board in connection with any matter(s) referred to or contemplated in this resolution are hereby approved, ratified and confirmed in all respects.”

Thanking You,

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

MAYURA MARATHE
COMPANY SECRETARY
MEMBERSHIP NO: ACS-44678
(Authorised to sign and serve vide Board Resolution dated 16.7.2021)
Date: July 16,2021
Place: Nashik

NOTES:

- ☐ The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“the Act”) setting out material facts concerning the business

under Item No. 4 to 13 of the accompanying Notice, is annexed hereto.

The Board of Directors of the Company at its meeting held on May 31,2021 and July 14,2021 considered the special business of the notice, and the same are to be transacted at the 14th AGM of the Company.

- ☐ A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a member of the Company. Since the AGM is being held in accordance with the Circulars through VC, the facility for the appointment of proxies by the members will not be available.
- ☐ Participation of members through VC will be reckoned for the purpose of quorum for the AGM as per Section 103 of the Act.
- ☐ Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC. Corporate members intending to authorize their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution / authorization letter to the Company by email to admin@kardaconstruction.com.
- ☐ The Register of directors and key managerial personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. August 7, 2021. Members seeking to inspect such documents can send an email to admin@kardaconstruction.com.

□ Members whose shareholding is in electronic mode are requested to notify any change in address or bank account details to their respective depository participant(s) ("DP"). Members whose shareholding is in physical mode are requested to opt for the Electronic Clearing System ("ECS") mode to receive dividend on time in line with the Circulars. We urge members to utilize the ECS for receiving dividends. Please refer the process given in the notes to be followed for updating bank account details.

□ Members may note that the Board, at its meeting held on May 31, 2021 has recommended a final dividend of ₹ 0.05 per share. The record date for the purpose of final dividend for fiscal 2021 is August 13, 2021. The final dividend, once approved by the members in the ensuing AGM, will be paid on or before September 4, 2021 electronically through various online transfer modes to those members who have updated their bank account details. For members who have not updated their bank account details, dividend warrants / demand drafts / cheques will be sent out to their registered addresses.

To avoid delay in receiving dividend, members are requested to update their KYC with their depositories (where shares are held in dematerialized mode) and with the Company's Registrar and Transfer Agent ("RTA") (where shares are held in physical mode) to receive dividend directly into their bank account on the payout date.

□ Members may note that the Income-tax Act, 1961, ("the IT Act") as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a Company after April 1, 2020 shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source ("TDS") at the time of making the payment of final dividend. In order to enable us to determine the appropriate TDS rate as applicable, members are requested to submit relevant

documents, as specified in the below paragraphs, in accordance with the provisions of the IT Act. For resident shareholders, taxes shall be deducted at source under Section 194 of the IT Act as follows:

Members having valid Permanent Account Number ("PAN")	10% or as notified by the Government of India
Members not having PAN / valid PAN	20% or as notified by the Government of India

However, no tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by them during fiscal 2022 does not exceed ₹ 5,000 and also in cases where members provide Form 15G / Form 15H (Form 15H is applicable to individuals aged 60 years or more) subject to conditions specified in the IT Act.

Resident shareholders may also submit any other document as prescribed under the IT Act to claim a lower / nil withholding tax. PAN is mandatory for members providing Form 15G / 15H or any other document as mentioned above. For non-resident shareholders, taxes are required to be withheld in accordance with the provisions of Section 195 and other applicable sections of the IT Act, at the rates in force.

Members are requested to address all correspondence, including dividend-related matters, to RTA, Link Intime India Private Limited, C 101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai - 400083.

□ Members wishing to claim dividends that remain unclaimed are requested to correspond with the RTA as mentioned above, or with the Company Secretary, at the Company's registered office or at admin@kardaconstruction.com.

Members are requested to note that dividends that are not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to the Investor Education and Protection Fund ("IEPF"). Shares on which dividend remains unclaimed for seven consecutive years shall be transferred to IEPF as per Section 124 of the Act, read with applicable IEPF rules.

- In compliance with Section 108 of the Act, read with the corresponding rules, Regulation 44 of the LODR Regulations and in terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, the Company has provided a facility to its members to exercise their votes electronically through the electronic voting ("e- voting") facility provided by Link Intime India Private Limited ("LI IPL"). Members who have cast their votes by remote e-voting prior to the AGM may participate in the AGM but shall not be entitled to cast their votes again.
- The manner of voting remotely by members holding shares in dematerialized mode, physical mode and for members who have not registered their email addresses is provided in the "Instructions for e-voting" section which forms part of this Notice. The Board has appointed Mr. Amar Patil of M/S Amar Patil & Associates Practicing Company Secretaries, as the Scrutinizer to scrutinize the e-voting in a fair and transparent manner.
- Members holding shares either in physical or dematerialized form, as on cut-off date, i.e. as on July 31 2021, may cast their votes electronically. The e-voting period commences on Tuesday, August 3, 2021 (9:00 a.m. IST) and ends on Friday, August 6, 2021 (5:00 p.m. IST). The e-voting module will be disabled thereafter. A member will not be allowed to vote again on any resolution on which vote has already been cast. The voting rights of members shall be proportionate to their share of the paid-up equity share capital of the

Company as on the cut-off date, i.e. as on July 31, 2021. A person who is not a member as on the cut-off date is requested to treat this Notice for information purposes only.

- The facility for voting during the AGM will also be made available. Members present in the AGM through VC and who have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM.
- Any person holding shares in physical form, and non-individual shareholders who acquire shares of the Company and become members of the Company after the Notice is sent and holding shares as of the cut-off date, i.e. July 31, 2021, may obtain the login ID and password by sending a request at instameet@linkintime.co.in.

However, if he / she is already registered with NSDL for remote e-voting, then he / she can use his / her existing user ID and password for casting the vote. In case of individual shareholders holding securities in demat mode, who acquire shares of the Company and become members of the Company after the Notice is sent and holding shares as of the cut-off date i.e. July 31, 2021, may follow steps mentioned in the Notice under "Instructions for e-voting".

- In compliance with the Circulars, the Annual Report 2020-21, the Notice of the 14th AGM, and instructions for e-voting are being sent through electronic mode to those members whose email addresses are registered with the Company / depository participant(s).
- We urge members to support our commitment to environmental protection by choosing to receive the Company's communication through email. Members holding shares in demat mode, who have not registered their email addresses are requested to register their email addresses with

their respective depository participants, and members holding shares in physical mode are requested to update their email addresses with the Company's RTA, Link Intime Private Limited at instameet@linkintime.co.in to receive copies of the Annual Report 2020-21 in electronic mode.

- Members may follow the process detailed below for registration of email ID to obtain the Annual Report and update of bank account details for the receipt of dividend.

Type of holder	Process to be followed	
	Registering email address	Updating bank account details
Physical	Send a written request to the RTA of the Company, Link Intime Private Limited C 101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai - 400083. 001 Tel: +91020 - 26161629 providing Folio Number, name of member, copy of the share certificate (front and back), PAN (self-attested copy of PAN card), AADHAAR (self-attested copy of Aadhaar card) for registering email address.	Send a written request to the RTA of the Company, Link Intime Private Limited C 101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai - 400083. 001 Tel: +91020 - 26161629 providing Folio Number, name of member, copy of the share certificate (front and back), PAN (self-attested copy of PAN card), AADHAAR (self-attested copy of Aadhaar card) and self-attested copy of the cancelled cheque leaf bearing the name of the first holder

		for updating bank account details. The following additional details / documents need to be provided in case of updating bank account details: • Name and branch of the bank in which you wish to receive the dividend, the bank account type • Bank account number allotted by their banks after implementation of core banking solutions • 9-digit MICR Code Number • 11-digit IFSC
Demat	Please contact your DP and register your email address and bank account details in your demat account, as per the process advised by your DP.	

- Members may also note that the Notice of the 14th AGM and the Annual Report 2020-21 will also be available on the Company's website, <https://www.kardaconstruction.com/investors>, websites of the stock exchanges, i.e. BSE and NSE, at www.bseindia.com and www.nseindia.com, respectively, and on the website of LinkIntime India Pvt Ltd i.e., <https://instavote.linkintime.co.in/>.
- Additional information, pursuant to Regulation 36 of the LODR Regulations, in respect of the directors seeking appointment / reappointment at the AGM, forms part of this Notice.

- SEBI has mandated the submission of PAN by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participant(s). Members holding shares in physical form are required to submit their PAN details to the RTA.
- As per the provisions of Section 72 of the Act, the facility for submitting nomination is available for members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The form can be downloaded from the Company's website at <https://www.kardaconstruction.com>. Members are requested to submit these details to their DP in case the shares are held by them in electronic form, and to the RTA, in case the shares are held in physical form.
- The Scrutinizer will submit his report to the Chairman of the Company ("the Chairman") or to any other person authorized by the Chairman after the completion of the scrutiny of the e-voting (votes cast during the AGM and votes cast through remote e-voting), not later than 48 hours from the conclusion of the AGM. The result declared along with the Scrutinizer's report shall be communicated to the stock exchanges, NSDL and RTA, and will also be displayed on the Company's website, www.kardaconstruction.com.
- Since the AGM will be held through VC in accordance with the Circulars, the route map, proxy form and attendance slip are not attached to this Notice.
- At the Eleventh General Meeting held on 29th September, 2018, the members appointed M/S Sharp Aarth & Co, Chartered Accountants (Firm Registration No.132748W), as Statutory Auditors of the Company to hold office for a period of 5 years from the conclusion of the Eleventh Annual General Meeting until the conclusion of the Sixteenth Annual General Meeting subject to

ratification of their appointment by Members at every AGM, if so required under the Act.

The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the twenty- seventh AGM.

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

Remote e-Voting Instructions for shareholders post change in the Login mechanism for Individual shareholders holding securities in demat mode, pursuant to SEBI circular dated December 9, 2020:

Pursuant to SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode can vote through their demat account maintained with Depositories and Depository Participants only post 9th June, 2021.

Shareholders are advised to update their mobile number and email Id in their demat accounts to access e-Voting facility.



<u>Type of shareholders</u>	<u>Login Method</u>

Login method for Individual shareholders holding securities in demat mode/ physical mode is given below:

<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<ul style="list-style-type: none"> ● If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e- Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. ● After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on Company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. ● If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp ● Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e.
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	<p>your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ul style="list-style-type: none"> ● Existing user of who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. ● After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINK NTIME, CDSL. Click on e-Voting service provider name to cast your vote. ● If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration ● Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as

	recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress.
Individual Shareholders (holding securities in demat mode) & login through their depository participants	<ul style="list-style-type: none"> ● You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. ● Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME.	<p>1. Open the internet browser and launch the URL: https://instavote.linkintime.co.in</p> <p>► Click on “Sign Up” under ‘SHARE HOLDER’ tab and register with your following details: -</p> <p>A. User ID: Shareholders/ members holding shares in physical form shall provide Event No + Folio Number registered with the Company.</p> <p>B.PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.</p>

	<p>C.DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)</p> <p>D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.</p> <p>● Shareholders/ members holding shares in physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above</p> <p> Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter).</p> <p> Click "confirm" (Your password is now generated).</p> <p>2. Click on 'Login' under 'SHARE HOLDER' tab.</p> <p>3. Enter your User ID, Password, and Image Verification (CAPTCHA) Code and click on 'Submit'.</p> <p>4. After successful login, you will be able to see the notification for e-voting. Select 'View' icon.</p> <p>5. E-voting page will appear.</p> <p>6. Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).</p> <p>7. After selecting the desired option i.e. Favour / Against, click on 'Submit'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.</p>
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Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are

required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as ‘Custodian / Mutual Fund / Corporate Body’. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the ‘Custodian / Mutual Fund / Corporate Body’ login for the Scrutinizer to verify the same

Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME, have forgotten the password:

- Click on ‘Login’ under ‘SHARE HOLDER’ tab and further Click ‘forgot password?’
- Enter **User ID**, select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on ‘Submit’.
- In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.
- Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
- The password should contain minimum 8 characters, at least one special character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter.

Individual Shareholders holding securities in demat mode with NSDL/ CDSL have forgotten the password:

- Shareholders/ members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/

depository participants website.

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

- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular “Event”.

Helpdesk for Individual Shareholders holding securities in demat mode:

In case shareholders/ members holding securities in demat mode have any technical issues related to login through Depository i.e. NSDL/ CDSL, they may contact the respective helpdesk given below:

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 22- 23058542-43.

Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders & evoting service Provider is LINKINTIME.

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

InstaVote Support Desk
Link Intime India Private Limited

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

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

► Select the “**Company**” and ‘**Event Date**’ and register with your following details: -

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

Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**

Shareholders/ members holding shares in **physical form shall provide** Folio Number registered with the Company

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

Mobile No.: Enter your mobile number.

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

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

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

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

Shareholders who would like to speak during the meeting must register their request 3 days in advance with the Company on the specific email id created for the general meeting i.e. agm@kardaconstruction.com.

1. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
2. Shareholders will receive “speaking serial number” once they mark attendance for the meeting.
3. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
4. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

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

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

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

1. On the Shareholders VC page, click on the link for e-Voting “Cast your vote”
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
3. After successful login, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.
4. Cast your vote by selecting appropriate option i.e. “Favour/Against” as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/Against’.

5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on “Save”. A confirmation box will be displayed. If you wish to confirm your vote, click on “Confirm”, else to change your vote, click on “Back” and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

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

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

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting. Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

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

InstaMeet Support Desk

Link Intime India Private Limit

ANNEXURE TO THE NOTICE

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

Item No. 4:

The Board on the recommendation of the Audit Committee, has approved at their Meeting held on May 31, 2021 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 ₹ 65,000/- (Rupees Sixty Five Thousand) plus out of pocket expenses and applicable taxes.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, as amended, the remuneration payable to the Cost Auditors is required to be ratified by the members of the Company. Accordingly, consent of the members is sought for passing an ordinary resolution as set out at Item No. 4 of the Notice.

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

None of the directors or managers or key managerial persons or relatives of all of the

aforesaid are concerned or interested, financially or otherwise in respect of this item of Agenda.

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

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

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

Item No. 5:

As the members are aware, the equity shares of your Company are listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) and are also regularly traded on the said Exchanges.

With a view to broaden the investor base by encouraging the participation of the retail investors and also with a view to increase the liquidity of the Company's Shares, the Board of Directors in its meeting held on May 31, 2021 recommended sub-division of the nominal value and paid-up value of (Authorised, Issued, Subscribed and paid-up) of the Company from 1 (One) equity share of ₹ 2/- (Rupees Two only) each into 2 (Two) equity shares of ₹ 1/- (Rupee One only) each.

Pursuant to the provisions of Section 13, and Section 61 of the Companies Act, 2013 approval of the members is required for sub-division of shares. A copy of the Memorandum of Association along with proposed amendments will be open for inspection by the Members at the Registered Office of the Company during business hours on all working days up to the date of this meeting. None of the directors or managers or key managerial persons or relatives of all of the aforesaid are

concerned or interested, financially or otherwise in respect of this item of Agenda. The Board recommends the resolution set forth in Item no. 5 for approval of the members.

Item No. 6

The aforesaid sub-division of equity shares of ₹2/- (Rupees Two only) each into equity shares of ₹ 1/- (Rupee One only) each would require amendment to existing Capital Clause V of the Memorandum of Association. After approval of the resolutions set out at Item No 5 the Board of Directors or Committee thereof will fix the record date for the purpose of ascertaining the list of members whose shares shall be sub-divided, as proposed above and the same shall be notified to the members through appropriate medium. 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.

A copy of the Memorandum of Association along with proposed amendments will be open for inspection by the Members at the Registered Office of the Company during business hours on all working days upto the date of this meeting. This item of special business does not relate to or affects any other Company.

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

Item no 7 & 8:

The equity shares of the Company are listed on National Stock Exchange of India Limited and BSE Limited. With a view to encourage the participation of the small investors by making the equity shares of the Company more affordable, subject to the

consent of the members of the Company, the Board in its meeting held on Wednesday, July 14, 2021 approved and recommended issue of Bonus Equity Shares of ₹ 1/- (Rupees One only) each credited as fully paid up to eligible members of the Company in the proportion of 4:1 i.e. 4(Four) new fully paid-up equity shares of ₹ 1/- (Rupees One only) each for every 1(One) existing fully paid-up equity share of ₹ 1/- (Rupees One only) each by capitalising a sum of ₹ 49,20,00,000/- (Rupees Forty Nine Crore Twenty Lakhs only) out of the ₹ 73,82,91,096/- (Rupees Seventy Crores Eighty Two Lakhs Ninety One Thousand Ninety Six only) i.e. permissible reserves (Free Reserves and / or Securities Premium Account). The issue of Bonus Equity Shares is authorised by the Article 19 of Articles of Association of the Company and shall be made in line with the provisions of Section 63 of the Companies Act, 2013 and other applicable regulations and subject to such approvals, if required from any statutory authorities.

Presently, the Authorised Share Capital of the Company is ₹20,00,00,000/- (Rupees Twenty Crore Only) divided into 20,00,00,000 (Twenty Crore) equity shares of ₹ 1/- (Rupees One only) each. In order to facilitate issue of bonus equity shares and for future requirements, if any, it is proposed to increase the Authorised Share Capital to ₹ 75,00,00,000/- (Rupees Seventy Five Crores Only) by creation of additional 55,00,00,000 (Fifty Five Crore) equity shares of ₹1/- (Rupees One only) each. The increase in the Authorised Share Capital as aforesaid would entail consequential alteration of the existing Clause V of the Memorandum of Association of the Company. The increase in the Authorised Share Capital and consequential alteration to Clause V of the Memorandum of Association of the Company and issue of bonus equity shares by way of capitalisation of Free Reserves, and/or Share Premium Account as aforesaid for the purpose of issue of bonus equity

shares require members' approvals in terms of Sections 13, 61 and 63 of the Companies Act, 2013 and any other applicable statutory and regulatory requirements.

Accordingly, resolutions 7 and 8 of this Notice are proposed to seek Members' approvals for increase in authorized share capital and consequential alteration to Memorandum of Association of the Company and capitalization of the amount standing to the credit of Free Reserves, and/or Securities Premium Account as aforesaid of the Company for the purpose of issue of bonus equity shares on the terms and conditions set out in these resolutions.

The Board recommends the resolutions 7 and 8 for approval of the Members. None of the Directors, Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise, in the resolutions Nos. 7 and 8 of this Notice except to the extent of shares held by them or any concern or Company controlled by them in the Company.

Item No 9:

The Board of Directors of the Company in its meeting held on May 31, 2021 decided to change the name of the Company from "Karda Constructions Limited" to "KBC Global Limited" and the Board considered the same as an auspicious name for the Company.

The Directors believe that the change in the name of the Company which is being undertaken as part of corporate rebranding would make the name of the Company simple, sharp, and focused.

The proposed change of name will not affect any of the rights of the Company or of the shareholders/stakeholders of the Company. All existing share certificates bearing the current name of the Company will, after the change of name, continue to be valid for all purposes. As per the

provisions of Sections 13 of the Companies Act, 2014, approval of the shareholders is required to be accorded for changing the name of the Company & consequent alteration in the Memorandum of Association and Articles of Association by way of passing a Special Resolution.

Hence, the resolution is put up for shareholders' approval. None of the directors, Key Managerial Personnel and their relatives is concerned or interested in the passing of the aforesaid resolution, except to the extent of their shareholding, if any.

A copy of the Memorandum of Association along with proposed amendments will be open for inspection by the Members at the Registered Office of the Company during business hours on all working days upto the date of this meeting.

Item No 10:

In order to make the main object clause of the Memorandum of Association (MOA) comprehensive and to include other activities to be undertaken by Company i.e. mining, it is proposed to include additional objects in the main object clause of the Memorandum of Association of the Company.

The principal business of the Company at present is in real estate development industry, the Board feels that Company should widen its activities by undertaking activities in new sectors as stated in the above resolution. To enable the Company to commence the aforesaid business, it is proposed to substitute the Main Objects under the Objects Clause of the Memorandum of Association of the Company as stated in the Resolution in the annexed notice.

The above amendment would be subject to the approval of the Statutory or Regulatory Authority,

as may be necessary. The Board at its meeting held on May 31, 2021 has approved alteration of the object clause of MOA of the Company and the Board now seeks Members' approval for the same.

The proposed change of object clause requires the approval of shareholders through Special Resolution pursuant to the provisions of Section 13 of the Companies Act, 2013.

A copy of the amended MOA of the Company would be available for inspection for the Members at the Registered Office of the Company during the period beginning twenty four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting. N

one of the Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the Special Resolution except to the extent of their shareholding in the Company. The Board recommends the Special Resolution set forth in Item No. 10 of the Notice for approval of the Members.

Item No 11:

Mr. Naresh Jagumal Karda was appointed as Executive Chairman and Managing Director (designated as "Executive Chairman"), not liable to retire by rotation, for a period of five years.

Accordingly, Mr. Naresh Karda has been retired from his current position as Executive Chairman and Managing Director effective February 1, 2021.

Accordingly, the Board of Directors on the recommendation of the Board Governance, Nomination and Compensation Committee, and subject to approval of Members of the Company, approved the appointment of Mr. Naresh Karda as an Executive Managing Director of the Company for

a period of five years with effect from February 2,2021 on such remuneration as set out in the Resolution and conferred him with the title of Founder Chairman.

Keeping in view Mr. Naresh Karda's rich and varied experience in the Industry, his involvement in the operations of the Company over a long period of time, and his pioneering role in guiding the Company in diversification and growth, the Board of Directors is of the opinion that it would be in the interest of the Company to appoint him as a Chairman & Managing Director of the Company for a period of five years.

Additional information in respect of Mr. Naresh Karda, pursuant to Regulation 36 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings (SS-2), is given at Annexure to this Notice.

Item No 12:

Mr. Manohar Jagumal Karda was appointed as Whole Time Director liable to retire by rotation, for a period of five years with effect from February 2,2021.

Accordingly, Mr. Manohar Karda has been retired from his current position as Executive Chairman and Managing Director effective February 1,2021.

Accordingly, the Board of Directors at its meeting on the recommendation of the Nomination and Remuneration Committee, and subject to approval of Members of the Company, approved the appointment of Mr. Manohar Karda as a Whole Time Director of the Company for a period of five years with effect from February 2, 2021 on such remuneration as set out in the Resolution and conferred him with the title of Founder Chairman.

Additional information in respect of Mr. Manohar Karda, pursuant to Regulation 36 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings (SS-2), is given at Annexure to this Notice.

Item No 13:

The Company anticipates growth opportunities in its existing operations and continues to evaluate various avenues for organic expansion and achieving inorganic growth. Towards this, the Company continues to require capital for achieving such growth and expansion. Accordingly, subject to compliance with applicable law, the Company proposes to raise capital for the purposes of funding the long term growth of its existing businesses, making strategic acquisitions; financing other long term capital, working capital, and general corporate requirements; pre-payment and / or repayment of loans; and / or any other as may be permissible under applicable law(s) and approved by the Board of Directors of the Company.

In line with the above, the Company proposes to raise funds through the issuance of any instrument or security, including equity shares, fully / partly convertible debentures, global depository receipts, American depository receipts, foreign currency convertible bonds, non—convertible debentures, warrants (collectively, the "Securities"), or any combination of Securities, for an aggregate consideration of up to ₹ 750 crore only (Rupees Seven Hundred and Fifty crore only) to all or any such investors, jointly and / or severally, that may be permitted to invest in such issuance of Securities, including resident or non-resident / foreign investors (whether institutions and / or incorporated bodies and / or trusts or otherwise) / foreign portfolio investors / mutual funds / pension funds / venture capital funds / banks / alternate investment funds / Indian and / or multilateral financial institutions / insurance companies / any other qualified institutional buyers as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,

2018 (“SEBI ICDR Regulations”), and the qualified institutional buyers, the “QIBs”) / any other category of persons or entities who are authorised to invest in the Securities in terms of applicable law, as may be deemed appropriate by the Board in its absolute discretion and whether or not such investors are members of the Company, for cash, in one or more tranches, without or without a green shoe option, through a public issue, preferential allotment, private placement, or a rights issue (including one or more qualified institutions placements (“QIPs”) in accordance with the applicable provisions of the Companies Act, 2013 (“Companies Act”) and the SEBI ICDR Regulations), or through any other permissible mode and / or combination thereof as may be considered appropriate, in terms of Sections 23, 41, 42, 62, 71, and other applicable provisions of the Companies Act and the applicable rules made thereunder (including the Companies (Offering Memorandum and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014), each including any amendment(s), statutory modification(s), or re-enactment(s) thereof and in accordance with the provisions of the Memorandum of Association and Articles of Association of the Company, the SEBI ICDR Regulations, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Foreign Exchange Management Act, 1999 and the regulations made thereunder, including Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, the Standalone FDI Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India from time to time, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, the Depository Receipts Scheme, 2014 each as amended; the listing agreements entered into by the Company with the stock exchanges where the equity shares of the Company are listed (“Stock Exchanges”, and such equity shares, the “Equity Shares”); and any other provisions of applicable law (including all other applicable statutes, clarifications, rules, regulations, circulars, notifications, and guidelines issued by the Government of India, Ministry of Corporate Affairs,

Reserve Bank of India, Securities and Exchange Board of India (“SEBI”), Stock Exchanges, and such other statutory / regulatory authorities). Accordingly, the board of directors of the Company (“Board”, which term shall include any committee which the Board may have constituted or may constitute to exercise its powers, including the powers conferred by this resolution), at its meeting held on May 31, 2021, subject to the approval of the members of the Company, approved the raising of funds at such price and on such terms and conditions as may be deemed appropriate by the Board at its sole and absolute discretion, taking into consideration market conditions and other relevant factors and wherever necessary, in consultation with the book running lead manager(s) and / or other advisor(s) appointed in relation to issuance of Securities, in accordance with applicable laws, and subject to regulatory approvals (as necessary). The resolution proposed is an enabling resolution and the exact price, proportion, and timing of the issue of the Securities in one or more tranches and the remaining detailed terms and conditions for the issuance of Securities will be decided by the Board, in accordance with the SEBI ICDR Regulations, in consultation with book running lead manager(s) and / or other advisor(s) appointed in relation to the issuance of Securities and such other authorities and agencies as may be required to be consulted by the Company. Further, the Company is yet to identify the investor(s) and decide the quantum of Equity Shares to be issued to them. Hence, the details of the proposed allottee(s), percentage of their post-issue shareholding and the shareholding pattern of the Company are not provided. Accordingly, the Board may, in its discretion, adopt one or more of the mechanisms for raising of funds to meet its objectives as stated in the paragraphs above without the need for fresh approval from the members of the Company. The proposal, therefore, seeks to confer upon the Board the absolute discretion and adequate flexibility to determine the terms of the issuance. The ‘relevant date’ for the purpose of pricing the Securities shall be date of the meeting in which the Board decides to open the issue of the Securities, subsequent to receipt of approval from the members of the Company, in terms of applicable law; in the event that convertible securities (as defined under the SEBI

ICDR Regulations) are issued to QIBs by way of a QIPs, the relevant date for pricing of such Securities shall be either the date of the meeting in which the Board decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the Equity Shares, as determined by the Board. In the event that such issuance of Securities is undertaken by way of a QIP, the allotment of Securities shall be completed within a period of 365 days from passing the special resolution by the members of the Company. Further, the Equity Shares offered, issued, and allotted by the Company pursuant to any such QIP in terms of the resolution would be subject to the provisions of the memorandum of association and articles of association of the Company and shall rank, in all respects, pari passu with the existing Equity Shares of the Company. The pricing of the Securities shall be determined in accordance with the relevant provisions of the SEBI ICDR Regulations, the Companies Act, and any other applicable law. The resolution enables the Board, in accordance with applicable law, to offer a discount of not more than 5% or such percentage as may be permitted under

applicable law on the price determined in accordance with the SEBI ICDR Regulations. The Securities allotted as above would be listed on the Stock Exchanges. As and when the Board takes a decision on matters on which it has the discretion, necessary disclosures will be made to the Stock Exchanges as may be required under the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The approval of the members is being sought to enable the Board to decide on the issuance of Securities, to the extent and in the manner stated in the special resolution, as set out in item no. 13 of this notice, without the need for any fresh approval from the members of the Company in this regard. None of the Directors or Key Managerial Personnel of the Company, or their respective relatives, is concerned or interested, financially or otherwise, in said resolution. The proposed issuance of Securities is in the interest of the Company and the Board recommends the resolution set out for the approval of the members as a special resolution.

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

**MAYURA MARATHE COMPANY SECRETARY
MEMBERSHIP NO: ACS-44678**

**(Authorised to sign and serve vide Board Resolution dated
16.7.2021)**

Date: July 16,2021 Place: Nashik

Independent Auditor's Report to the Members of Karda Constructions Limited

To

The Members of Karda Constructions Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Karda Constructions Limited ("the Company"), which comprise the balance sheet as at 31 March 2020, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

The Key Audit Matter	How the matter was addressed in our audit
1. Accuracy of revenue recognition, measurement, presentation, and disclosures as per IndAS 115 "Revenue from Contracts with Customers".	
Revenue from sale of residential and commercial units represents 89.95% of the total revenue	<u>Principle Audit Procedures</u> <ul style="list-style-type: none">● Evaluating that the Company's revenue recognition accounting policies are in line with the

<p>from operations of the Company.</p> <p>Revenue is recognized upon transfer of control of residential and commercial units to customers. The trigger for revenue recognition is normally completion of the project or receipt of approvals on completion from relevant authorities. The Company records revenue over time till the actual possession to the customers or on actual possession to the customers, as determined by the terms of contract with customers.</p> <p>Measurement of revenue recorded over time which is dependent on the estimates of the costs to complete</p> <p>Revenue recognition involves significant estimates related to measurement of costs to complete for the projects. Revenue from projects is recorded based on management's assessment of the work completed, costs incurred and accrued and the estimate of the balance costs to complete. Since revenue recognition has direct impact on the Company's profitability, the element of management bias is likely to be involved.</p> <p>Due to the inherent nature of the projects and significant judgment involved in the estimate of costs to complete, there is risk of overstatement or understatement of revenue.</p>	<p>applicable accounting standards;</p> <ul style="list-style-type: none"> ● Identifying the impact on adoption of the new IndAS 115; ● Selection of samples of continuing and new contracts with the customers; ● Scrutinizing all the revenue journal entries raised throughout the reporting period and comparing details of a sample of these journals with relevant underlying documentation; ● Conducting site visits during the year for selected projects to understand the scope and nature of the projects and to assess the progress of the projects; ● Testing sample sales of units for projects with the underlying contracts, completion status and proceeds received from customers; ● Evaluation of industry wide procedures adopted for the revenue recognition under this standard. <p>Measurement of revenue recorded over time which is dependent on the estimates of the costs to complete</p> <ul style="list-style-type: none"> ● Compared, on a sample basis, revenue transactions recorded during the year with the underlying contracts, progress reports, invoices raised on customers and collections in bank accounts and whether the related revenue had been recognized in accordance with the Company's revenue recognition policies; ● Identification and testing operating effectiveness of key controls over recording of actual costs incurred for the projects; ● Sighting approvals for changes in estimated costs with the rationale for the changes and related documentation. ● Comparison of the estimated costs with the
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	costing details as mentioned for registration of the projects with the MahaRERA website.
2. Valuation of Inventories – Assessing the net realisable value	
Inventory represents the capitalized project costs to date less amounts expensed on sales by reference to the aforementioned projections. It is held at the lower of cost and net realisable value (NRV), the latter also being based on the forecast for the project. As such inappropriate assumptions in these forecasts can impact the assessment of the carrying value of inventories.	<p><u>Principle Audit Procedures</u></p> <ul style="list-style-type: none"> ● Discussion with the management to understand the basis of calculation and justification for the estimated recoverable amounts of the unsold units (“the NRV assessment”); ● Evaluating the design and implementation of the Company’s internal controls over the NRV assessment. Our evaluation included assessing whether the NRV assessment was prepared and updated by appropriate personnel of the Company and whether the key estimates, including estimated future selling prices and costs of completion for all property development projects, used in the NRV assessment, were discussed, and challenged by management as appropriate; ● Evaluating the management’s valuation methodology and assessing the key estimates, data inputs and assumptions adopted in the valuations, which included comparing expected future average selling prices with available market data such as recently transacted prices for similar properties located in the nearby vicinity of each property development project and the sales budget plans maintained by the Company;
3. Tax Assessments	
Review, effect, and presentation of completed tax assessments	<p><u>Principle Audit Procedures</u></p> <ul style="list-style-type: none"> ● Verification of details of completed tax assessments and demands as at 31st March, 2020, followed by verification of tax refunds on completed tax assessments and treatment of the same in books of account and financial statements.

Other Information

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

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

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

Management's and Board of Directors' Responsibility for the Standalone Financial Statements

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

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

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

Auditors' Responsibility for the Audit of the Standalone Financial Statements

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report 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 standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standard (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies

(Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its standalone financial statements - Refer Note 24 to the standalone 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 during the year ended 31 March 2020; and
 - iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31 March 2020.
- h) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act, we report that:

In our opinion and according to the information and explanations given to us, the remuneration paid by

the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act; and the Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For JPL & Associates,

Chartered Accountants

Firm Registration No. 132748W

Sd/-

CA. Vipul Lathi

Partner

Membership No: 134897 UDIN:

20134897AAAAAF5127

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT – 31 MARCH 2020

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2020, we report the following:

(i) In respect of Property, Plant and Equipments

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets including property, plant and equipment and investment properties and investment property under construction.
- (b) The Company has a regular programme of physical verification of its property, plant and equipment and investment properties by which the property, plant and equipment and investment properties are verified by the management according to a phased programme designed to cover all the items over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the policy, the Company has physically verified certain property, plant and equipment and investment properties during the year and no discrepancies were noticed in respect of assets verified during the year.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

During the year, a major fire broke at the Registered Office premises of the Company located at 2nd Floor, Gulmohar Status, Above Business Bank, Samarth Nagar, Nashik - 422005, on 7th September 2019, gutting the entire floor of the office. The said premises held certain office equipments, furniture & fixtures as well as the books of accounts, computers and servers holding financial and accounting data, financial records, and related supporting documents. The loss by fire shown as exceptional items in the financial results is INR 93.13 lakhs against the closing written down value (WDV) of Property, Plant & Equipments as on date of fire.

(ii) In respect of Inventories

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

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

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

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

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

In our opinion and according to the information and explanations given to us and based on the audit procedures conducted by us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to loans and investments made by the Company. The Company has not provided any security during the year to the

parties covered under Sections 185 and 186 of the Act. Accordingly, compliance under Section 185 and 186 of the Act in respect of providing securities is not applicable to the Company.

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

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

(vi) Maintenance of cost records

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

(vii) Deposit of Statutory Dues

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

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Profession tax, Property Tax, Labour cess, Income-tax, Goods and Service tax, Cess and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Income-tax, Sales tax, Service tax, Value added tax and Goods and Service tax as at 31 March 2020, which have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

(INR in Million)

Name of the statute	Nature of the dues	Period to which the amount relates	Demand Amount	Amount Paid	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	A Y 2014-15	0.15	0.15	Income Tax Appellate Tribunal (ITAT)
Income Tax Act, 1961	Income Tax	A Y 2015-16	3.613	3.613	

(viii) Repayment of Loans and Borrowings

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

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

The Company has not raised any money by way of initial public offer or further public offer (including debt instruments). However, the Company has raised money by way of term loans during the year. In our opinion and according to the information and explanations given to us, the proceeds of term loans have been applied by the

Company for the purposes for which they were raised, other than temporary deployment pending application of proceeds.

(x) Reporting of Fraud During the Period

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

(xi) Managerial Remuneration

According to the information and explanations given to us and based on our examination of records of the Company, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.

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

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

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

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

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

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

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

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

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

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

For JPL & Associates,

Chartered Accountants

Firm Registration No. 132748W

Sd/-

CA. Vipul Lathi

Partner

Membership No: 134897 UDIN:

20134897AAAAAF5127

Place: Nashik

Date: 29 June, 2020

**ANNEXURE B TO THE INDEPENDENT AUDITORS'
REPORT – 31 MARCH 2020**

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

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

Opinion

We have audited the internal financial controls over financial reporting of **Karda Constructions Limited** (“the Company”) as of 31st March, 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

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 2020, 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”.

Management’s Responsibility for Internal Financial Controls

The Company’s management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation

and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorised 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.

For JPL &

Associates, Chartered

Accountants

Firm Registration No. 132748W

Sd/-

CA. Vipul Lathi

Partner

Membership No: 134897

UDIN:

20134897AAAAAF5127

Place: Nashik

Date: 29 June, 2020

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

I. Company Overview

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

II. Summary of Significant Accounting Policies

(a) Basis of preparation and measurement

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

The financial statements of the Company for the year ended March 31, 2020 were approved by the Board of Directors and authorised for issue on June 29, 2020.

(b) Operating cycle

The normal operating cycle in respect of operation relating to under construction real estate project depends on signing of

agreement, size of the project, phasing of the project, type of development, project complexities, approvals needed and realization of project into cash and cash equivalents. Accordingly, project related assets and liabilities have been classified into current and non-current based on operating cycle of respective projects. All other assets and liabilities have been classified into current and non-current based on a period of twelve months.

(c) Fair value measurement

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

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

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

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

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

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

(d) Revenue Recognition

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

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

- The Customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs.
- The entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

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

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

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

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

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

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

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

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

Dividend income is accounted when right to receive is established.

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

(e) Property, Plant and Equipment: Recognition

and measurement

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

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant, and equipment.

Property, plant, and equipment are derecognized from financial statements, either on disposal or when no economic benefits are expected from its use or disposal. The gain or losses arising from disposal of property, plant and equipment are recognized in the Statement of Profit and Loss in the year of occurrence.

Assets under construction include the cost of property, plant and equipment that are not ready to use at the balance sheet date.

Advances paid to acquire property, plant and equipment before the balance sheet date are disclosed under other non-current assets. Assets under construction are not depreciated as these assets are not yet available for use

Subsequent expenditures

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

Depreciation and amortization

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation / Amortizations on property, plant & equipment of the Company has been provided using the straight line method based on the useful life specified in Schedule II to the Companies Act, 2013.

Assets costing less than INR 5,000 are depreciated at 100% in the year of acquisition.

Assets acquired on lease and leasehold improvements are amortised over the primary period of the lease on straight line basis.

The estimated useful lives and residual values of the property, plant & equipment and intangible assets are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Investment property and depreciation

Investment properties are measured initially at cost, including transaction costs. Subsequent to

initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

(f) Impairment of non-financial assets:

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

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

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

(g) Foreign currency transactions:

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

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

Non-monetary items that are measured based on historical cost in a foreign currency are

translated at the exchange rate at the date of the transaction.

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

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

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

(i) Financial Instruments:

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

Financial Assets

Initial recognition and measurement

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

Subsequent measurement

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

i) Financial assets at amortised cost

A financial asset is measured at the amortised cost, if both of the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

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

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

interest (SPPI) on the principal amount outstanding.

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

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

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

iv) Equity instruments

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

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

profit and loss when the Company's right to receive payments is established.

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

Impairment of financial assets

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

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

De-recognition

A financial asset is derecognized when:

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

Financial Liabilities

Initial recognition and measurement

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

Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. For trade and other payables maturing within operating cycle, the carrying

amounts approximate the fair value due to short maturity of these instruments.

Loans and borrowings

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

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

De-recognition

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

Offsetting financial instruments

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

(j) Inventories:

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

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

(k) Income Tax:

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

Current Tax

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

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

- i) has a legally enforceable right to set off the recognised amounts; and
- ii) intends either to realise the asset and settle the liability on a net basis or simultaneously.

Deferred Tax

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

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent there is convincing evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax

assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

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

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

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

Deferred tax assets and liabilities are offset only if:

- i) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- ii) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Minimum Alternative Tax (MAT)

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

(l) Employee benefits:

Short term employee benefits

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

Defined contribution plans

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

Defined benefit plans

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

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

Leave Entitlement

Leave entitlement are provided based on an actuarial valuation, similar to that of gratuity

benefit. Re-measurement, comprising of actuarial gains and losses, in respect of leave entitlement are recognised in the Statement of Profit and Loss in the period in which they occur.

(m) Leases:

Finance Lease

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

Operating Lease

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

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

(n) Borrowing Costs:

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

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

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

(o) Earnings per share:

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

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

(p) Cash and cash equivalents:

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

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

(q) Provisions and Contingent Liabilities:

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

Contingent liabilities are disclosed when there is a possible obligation arising from past events,

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

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

(r) Dividend:

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

(s) Events after reporting date:

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

(t) Segment Reporting:

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

(u) USE OF ESTIMATES AND JUDGEMENTS

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

in the periods in which the results are known/ materialise.

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

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

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

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

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

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

value. Net Realisable value is based upon the estimates of the management. The effect of changes, if any, to the estimates is recognised in the standalone financial statements for the period in which such changes are determined.

iii. *Recognition and measurement of defined benefit obligations*

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

iv. *Fair value measurement of financial instruments*

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

v. *Impairment losses on investment*

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

amount, the impairment loss is accounted for.

vi. *Deferred taxes*

Deferred tax is recorded on temporary differences between tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profit during the periods in which those temporary differences and the tax loss carry forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making

this assessment. The amount of deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward periods are reduced.

vii. *Provisions and contingencies*

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

**KARDA CONSTRUCTIONS
LIMITED CIN:
L45400MH2007PLC174194**

STANDALONE STATEMENT OF ASSETS & LIABILITIES AS ON MARCH 31, 2020

(INR in Million)

Sr. No.	Particulars	Note No.	As at	As at
			March 31, 2020	March 31, 2019
	ASSETS			
1	Non-Current Assets			
	(a) Property, Plant and Equipment	3	8.625	16.607
	(b) Investment Properties	4	2.221	2.221
	(c) Financial Assets			
	(i) Investments	5(a)		
	- In Partnership Firms		0.022	0.022
	- In Others		3.003	3.003
	(ii) Loans & Advances	5(b)	107.498	82.532
	(iii) Other Financial Assets	5(c)	138.307	247.86
	(d) Deferred Tax Assets (Net)	12	2.395	-
	(d) Other Non-Current Assets	6	4.01	21.182
	Total Non-Current Assets		266.08	373.427
2	Current Assets			
	(a) Inventories	7	1640.082	1546.813
	(b) Financial Assets			
	(i) Investments	5(a)	465.445	270.101
	(ii) Trade Receivables	5(d)	121.577	112.485
	(iii) Cash and Cash Equivalents	5(e)	3.682	65.047
	(iv) Loans & Advances	5(b)	341.276	222.919
	(v) Other Financial Assets	5(c)	0.192	0.101
	(c) Current Tax Assets (Net)	5(f)	59.311	52.271
	(d) Other Current Assets	6	8.305	11.472
	Total Current Assets		2639.869	2281.209
	Total Assets (1+2)		2905.949	2654.636
	EQUITY AND LIABILITIES			
1	EQUITY			
	(a) Equity Share Capital	8(a)	123	123
	(b) Other Equity	8(b)	908.786	819.403
	Total Equity		1031.786	942.403

	LIABILITIES			
2	Non-Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	9(a)	370.798	469.756
	(ii) Other Financial Liabilities	9(b)	0.35	5.738
	(b) Other Non-Current Liabilities	10	617.904	147.997
	(c) Provisions	11	3.231	2.422
	(d) Deferred Tax Liabilities	12	-	0.265
	Total Non-Current Liabilities		992.284	626.178
3	Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	9(a)	192.657	267.447
	(ii) Trade Payables	13		
	- Total Outstanding Dues of Micro Enterprises and Small Enterprises		7.786	8.395
	- Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises		136.47	166.426
	(iii) Other Financial Liabilities	9(b)	475.082	598.353
	(b) Provisions	11	5.6881	2.015
	(c) Current Tax Liabilities (Net)	14	57.702	39.5
	(d) Other Current Liabilities	15	6.494	3.92
	Total Current Liabilities		881.879	1086.056
	Total Equity & Liabilities (1+2+3)		2905.949	2654.637
	Significant Accounting Policies	1		

The accompanying notes 1 to 40 form an integral part of the Financial Statements. As per our report of even date

For JPL & Associates

Chartered Accountants

(Firm Registration No. 132748W)

For and on behalf of the Board of Directors of

Karda Constructions Limited

CIN – L45400MH2007PLC174194

Sd/-

CA VIPUL LATHI

Partner

Membership No.134897

Sd/-

NARESH KARDA

Chairman & MD

DIN: 01741279

Sd/-

MANOHAR KARDA

Whole Time Director

DIN : 01808564

Sd/-

LIYAKAT M KHAN

Chief Financial Officer

Sd/-

MAYURA MARATHE

Company Secretary

Mem No:ACS 44678

Place : Nashik

Date: 29 June, 2020

**KARDA CONSTRUCTIONS
LIMITED CIN:
L45400MH2007PLC174194**

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

(INR in Million)

Sr. No.	Particulars	Note No.	For the year ended	
			March 31, 2020	March 31, 2019
1	INCOME			
	(a) Revenue from Operations	16	1141.214	1052.966
	(b) Other Income	17	42.135	34.41
	Total Income		1183.349	1087.375
2	EXPENSES			
	(a) Cost of construction / development, land, plots and development rights	18	708.078	647.69
	(b) Employee Benefits Expense	19	34.534	27.716
	(c) Finance costs	20	27.716	170.776
	(d) Depreciation and amortization expense	3	1.753	2.782
	(e) Selling Expenses	21	61.571	42.377
	(f) Other Expenses	22	63.109	35.689
	Total Expenses		1047.562	927.029
3	Profit Before Exceptional Items and Tax (1-2)		135.787	160.346
4	Exceptional Items – Loss by Fire		9.313	-
5	Profit Before Tax (3-4)		126.474	160.346
6	Tax Expense			
	(a) Current Tax		32.77	39.5
	(b) Deferred Tax Charge / (Credit)		2.66	0.128
	Total Tax Expenses		30.11	39.372
7	Profit for the year (3-4)		96.364	120.975
8	Other Comprehensive Income			
	Items that will not be subsequently reclassified to profit or loss – Re measurement of defined benefit plan		0.81	0.74
9	Total Comprehensive Income for the year (5+6)		95.554	120.235
10	Earning per Equity Share (EPS) (Face value of INR 10 each)			
	Basic EPS		0.777	0.978
	Diluted EPS		0.777	0.978
	Significant Accounting Policies	1		

The accompanying notes 1 to 40 form an integral part of the Financial Statements. As per our report of even date

***For JPL & Associates
Chartered Accountants***

(Firm Registration No. 132748W)

***For and on behalf of the Board of Directors of
Karda Constructions Limited***

CIN – L45400MH2007PLC174194

Sd/-

CA VIPUL LATHI

Partner

Membership No.134897

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NARESH KARDA

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Whole Time Director

DIN : 01808564

Sd/-

LIYAKAT M KHAN

Chief Financial Officer

Sd/-

MAYURA MARATHE

Company Secretary

Place : Nashik

Date: 29 June, 2020

Place : Nashik

Date: 29 June, 2020

KARDA CONSTRUCTIONS LIMITED

CIN : L45400MH2007PLC174194

**STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH,
2020**

A. EQUITY SHARE CAPITAL

(INR in Million)

Particulars	As At March 31, 2020	As At March 31, 2019
Balance at the beginning of the year	123	123
Changes in equity share capital during the year	-	-
Balance at the end of the year	123	123

B. OTHER EQUITY

(INR in Million)

Particulars	Reserves and Surplus		Total
	Securities Premium Reserve	General Reserve	
Balance as at 1st April, 2018	379.501	331.153	710.653
Changes in accounting policy or prior period errors	-	-	-
Profit / (Loss) for the year	-	120.975	120.975
Items of other comprehensive income: Remeasurement of net defined benefit	-	0.74	0.74
Excess / (Short) Provision for Income Tax	-	1.118	1.118
Adjustments for Share Issue Expenses - IPO	10.368	-	10.368
Balance at 31 st March, 2019	369.133	450.269	819.402
Balance as at 1 st April, 2019	369.133	450.269	819.402
Changes in accounting policy or prior period errors	-	-	-
Profit / (Loss) for the year	-	96.364	96.364
Items of other comprehensive income: Remeasurement of net defined benefit	-	0.81	0.81
Excess / (Short) Provision for Income Tax	-	0.364	0.364
Share of Income Tax Expenses – Firm	-	5.806	5.806
Balance at 31st March, 2020	369.133	539.653	908.786

The accompanying notes are an integral part of the financial statements

(a) Securities Premium

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

(b) General Reserves

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

The accompanying notes 1 to 40 form an integral part of the Financial Statements. As per our report of even date

***For JPL & Associates
Chartered Accountants***

(Firm Registration No. 132748W)

***For and on behalf of the Board of Directors of
Karda Constructions Limited***

CIN – L45400MH2007PLC174194

Sd/-

CA VIPUL LATHI

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Sd/-

LIYAKAT M KHAN

Chief Financial Officer

Sd/-

MAYURA MARATHE

Company Secretary

Place : Nashik

Date: 29 June, 2020

Place : Nashik

Date: 29 June, 2020

**KARDA CONSTRUCTIONS
LIMITED CIN:
L45400MH2007PLC174194**

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020

*(INR in
Million)*

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Cash Flow from Operating Activities		
Profit Before Tax:	126.474	160.346
<u>Adjustment for:</u>		
Depreciation and Amortizations	1.753	2.782
Provision for Gratuity	0.81	0.74
Finance Cost	178.518	170.776
Interest Income	29.791	30.123
Dividend Income	0.106	0.091
Profit from Redemption of Mutual Funds	11.904	0.781
Share of Profit from Partnership Firms	2.134	8.939
Share of Income Tax from Partnership Firms	5.754	-
Provisions for Deferred Taxes	2.66	0.128
Exceptional Items – Loss by Fire	9.313	-
Operating profit before working capital changes	268.218	293.359
Adjustments for changes in working capital		
(Increase) / Decrease in Financial Assets	45.347	147.501
(Increase) / Decrease in Non-Financial Assets	13.299	17.621
(Increase) / Decrease in Inventories	93.269	135.64
Increase / (Decrease) in Financial Liabilities	159.224	23.45
Increase / (Decrease) in Non-Financial Liabilities	476.699	170.834
	460.376	119.546
Taxes Paid (Net)	14.984	59.438
Net Cash Flow from Operating Activities	445.392	178.984
Cash Flow from Investing Activities		
Purchase of Property, Plant & Equipment	3.083	1.674
Sale / (Purchase) of Investments	195.343	249.915
(Investments in) / Withdrawal from Partnership Firms	-	-
Interest Income	29.791	30.123
Dividend Income	0.106	0.091
Profit from Redemption of Mutual Funds	11.904	0.781
Share of Profit from Partnership Firms	2.134	8.939
Net Cash Flow from Investing Activities	154.492	211.655

Cash Flow from Financing Activities		
Proceeds from Issue of Equity Share Capital	-	-
Payment for Share Issue Expenses - IPO	-	10.368
Proceeds from / (Repayment of) Long Term Borrowings (Net)	98.958	199.867
Proceeds from / (Repayment of) Short Term Borrowings (Net)	74.79	82.437
Interest Paid	178.518	170.776
Net Cash Flow from Financing Activities	352.265	463.448
Net Increase / (Decrease) in Cash and Cash Equivalents	61.366	854.088
Cash and Cash Equivalents - Opening Balance	65.047	919.135
Cash and Cash Equivalents - Closing Balance	3.682	65.047
See accompanying notes forming part of the financial statements		

The accompanying notes 1 to 40 form an integral part of the Financial Statements. As per our report of even date

For JPL & Associates

Chartered Accountants

(Firm Registration No. 132748W)

For and on behalf of the Board of Directors of

Karda Constructions Limited

CIN – L45400MH2007PLC174194

Sd/-

CA VIPUL LATHI

Partner

Membership No.134897

Sd/-

NARESH KARDA

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MANOHAR KARDA

Whole Time Director

DIN : 01808564

Sd/-

LIYAKAT M KHAN

Chief Financial Officer

Sd/-

MAYURA MARATHE

Company Secretary

Place : Nashik

Date: 29 June, 2020

Place : Nashik

Date: 29 June, 2020

Karda Constructions Limited
Notes to the Financial Statements for the year ended 31 March 2020
Note 3: Property, Plant and Equipment and Capital work-in-progress
(INR in million)

Particulars	GROSS CARRYING AMOUNT				DEPRECIATION				NET CARRYING AMOUNT	
	As at April 1, 2019	Additions during the year	Deductions during the year	As at March 31, 2020	As at April 1, 2019	For the year	Deductions	Upto 31 March, 2020	As at 31 March, 2020	As at March 31, 2019
a) Plant Property & Equipment										
Buildings	2.737	-	-	2.737	0.22	0.043	-	0.263	2.473	2.517
Plant & Machinery	1.81	-	0.376	1.434	0.735	0.151	0.028	0.859	0.575	1.075
Furniture & Fixtures	17.144	1.689	14.516	4.317	7.81	0.83	7.812	0.828	3.489	9.334
Computers & Laptops	2.689	0.762	2.735	0.716	1.782	0.26	1.896	0.147	0.569	0.906
Vehicles	1.462	-	-	1.462	0.48	0.178	-	0.658	0.804	0.982
Office Equipments	4.31	0.632	1.422	3.521	2.518	0.289	-	2.807	0.714	1.792
Total Plant Property & Equipment	30.152	3.083	19.048	14.187	13.545	1.753	9.735	5.562	8.625	16.607
b) Intangible Assets									-	-
c) Capital Work-in-Progress									-	-

(INR in Million)

Particulars	GROSS CARRYING AMOUNT	DEPRECIATION	NET CARRYING AMOUNT
-------------	-----------------------	--------------	---------------------

	As at April 1, 2018	Additions during the year	Deductions during the year	As at March 31, 2019	As at April 1, 2018	For the year	Deductions	Upto 31 March, 2019	As at 31 March, 2019	As at March 31, 2018
a) Plant Property & Equipment										
Buildings	2.737	-	-	2.737	0.177	0.043	-	0.22	2.517	2.56
Plant & Machinery	1.434	0.376	-	1.81	0.59	0.145	-	0.735	1.075	0.918
Furniture & Fixtures	16.997	0.148	-	17.144	6.244	1.566	-	7.81	9.334	10.753
Computers & Laptops	1.982	0.707	-	2.689	1.436	0.346	-	1.782	0.906	0.546
Vehicles	1.462		-	1.462	0.302	0.178	-	0.48	0.982	1.16
Office Equipments	3.867	0.443	-	4.31	2.014	0.504	-	2.518	1.792	1.778
Total Plant Property & Equipment	28.478	1.674	-	30.152	10.763	2.782	-	13.545	16.607	17.715
b) Intangible Assets									-	-
c) Capital Work-in-Progress									-	-

Note: Deductions during the year was on account of loss by fire at their registered office premises on 7th September, 2019. Net loss by fire after considering the accumulated depreciation was INR 93.13 Lakhs.

Karda Constructions Limited

Notes to the Financial Statements for the year ended 31 March 2020 Note

4: Investment Properties

(INR in Million)

Particulars	31 March 2020	31 March 2019
Farm House Plot (at S.No.292/1A & 2A, Bhagur)	2.221	2.221
Total	2.221	2.221

Footnote:

The said investment property is a farm house plot on which construction is in progress and hence no depreciation is charged on it. The Company has not determined the fair value of property from any independent valuer as at 31st March, 2020.

Note 5: Financial Assets

5(a) Non-Current Investments

(INR in Million)

Particulars	31 March 2020	31 March 2019
-------------	---------------	---------------

A) Investment in Fully paid-up Equity Instruments (Unquoted)		
Navjeevan Bank	0.1	0.1
10,000 (As at 31 Mar, 2019: 10,000) Equity shares of INR 10/- each		
Nashik Road Deolali Vyapari Bank Ltd.	0.503	0.503
50,250 (As at 31 Mar, 2019: 50,250) Equity shares of INR 10/- each		
Shree Sainath Land & Development (India) Private Limited*	2.4	2.4
2,40,000 (As at 31 Mar, 2019: 2,40,000) Equity shares of INR 10/- each		
Total	3.003	3.003
B) Investment in Partnership Firms (Refer Footnote a)		
Karda Infrastructures	0.017	0.017
Bhakti Enterprises	0.005	0.005
Total	0.022	0.022
Total Non-Current Investments (A+B)	3.024	3.024

*Refer Related Party Disclosure in Note

25. Footnote:

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

Partnership Firms	Share in profits (%)	
	31 March 2020	31 March 2019
1. M/s. Karda Infrastructures (Refer Footnote c)		
Karda Constructions Ltd	3.333	3.333
Naresh Jagumal Karda	3.334	3.334
Rahul Kalani	3.333	3.333
Total Capital of the firm (In Million)*	287.11	114.2
2. M/s. Bhakti Enterprises		
Naresh Karda	5.5	5.5
Manohar Karda	0.5	0.5
Laxman Karda	0.5	0.5
Prem Karda	0.5	0.5
Bharati M Karda	0.5	0.5
Disha N Karda	0.5	0.5
Karamchand Karda	0.5	0.5
Karda Constructions Ltd	0.5	0.5
Komal Karda	0.5	0.5

Neha Karda	0.5	0.5
Total Capital of the firm (In Million)*	167.742	69.456
3. M/s. Green Entreprises		
Basant Nathumal Gurnani	1.667	1.667
Sujyoti Fininvest Pvt Ltd	3.333	3.333
Karda Constructions Limited	1.167	1.167
Maharaj Birmani	3.333	3.333
Naresh Karda	0.5	0.5
Total Capital of the firm (In Million)*	10.374	1.563
*Total Capital of the firm consists of fixed & current capital (including excess withdrawals from the firm). Refer Note 5(a) & Note 15.		

b) The Company has investments in certain partnership firms aggregating INR 0.22 lakhs (31st March, 2019: INR 0.22 lakhs). The Company considers its investments in such entities as long term and strategic in nature. Accordingly, no provision is considered necessary towards diminution in the value of the Company's investments in such entities, which are considered good and fully recoverable.

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

5(a) Current Investments

(INR in Million)

Particulars	31 March 2020	31 March 2019
A) Investment in Mutual Funds (Quoted) (At cost)		
ICICI Prudential Savings Funds - DP Growth	0.2349	56.467
755.394 units (As at March 31, 2019 : 20,7641.226 units)		
SBI Short Term Debt Fund	-	30
NIL units (As at March 31, 2019 : 14,05,797.509 units)		
B) Investment in Partnership Firm (Current Capital)		
Karda Infrastructures	287.093	114.183
Bhakti Enterprises	167.742	69.451
Green Enterprises	10.374	-
Total	465.445	270.101

5(b) Non-Current Loans and Advances

(INR in Million)

Particulars	31 March 2020	31 March 2019
Loans to Related Parties	-	-
Loans to Others - Secured (Refer Footnote 1 below)		
(a) Advance against Shop	1	1
(b) Advances & Deposits - Land Purchase	106.498	81.532

Total	107.498	82.532
--------------	----------------	---------------

Footnote:

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

5(b) Current Loans and Advances

(INR in Million)

Particulars	31 March 2020	31 March 2019
Loans to Related Parties	-	-
Loans to Others - Unsecured, Considered Good	341.276	222.919
Total	341.276	222.919

Footnote:

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

Note 5: Financial Assets

5(c) Other Financial Assets - Non Current

(INR in Million)

Particulars	31 March 2020	31 March 2019
Deposits with Banks (Refer Footnote)	62.997	21.73
Security Deposits	11.457	19.488
Development Agreement Deposits	63.443	206.643
Rent Deposits	0.41	-
Total	138.307	247.86

Footnote:

- 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 Million)

Particulars	31 March 2020	31 March 2019
Advance against salaries	0.192	0.101
Total	0.192	0.101

Note 5: Financial

Assets 5(d) Trade

Receivables

(INR in Million)

Particulars	31 March 2020	31 March 2019
Non-current		
Related Party	-	-
Unsecured, considered good	-	-
Total	-	-
Current		
Related Party		-
Unsecured, considered good		
(a) Receivables from Customers - Real Estate	106.708	84.815

(b)Receivables from Customers – Civil Contracts	14.65	27.333
(c) Rent Receivable	0.219	0.337
Total	121.577	112.485
Less: Allowance for doubtful debts	-	-
Total	121.577	112.485

Footnote:

- a) No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person, or from any firms or private companies in which any director is a partner, a director, or a member.
- b) As per the management, there is no uncertainty in recovering dues receivable from trade debtors and thus no provision has been made for doubtful debts.

Note 5: Financial Assets

5(e) Cash and Cash Equivalents

(INR in Miliion)

Particulars	31 March 2020	31 March 2019
Balances with Banks		
Current Accounts (<i>Refer Footnote</i>)	-	43.96
Goa- Current - in EEFC accounts	0.115	0.59
Escrow Accounts	2.541	17.315
RERA Accounts	0.275	2.841
Cash on Hand	0.751	0.341
Total	3.682	65.047

Footnote:

- a) The current accounts figures for the year are classified under Current Borrowings as these accounts were having overdraft balances.

Particulars	31 March 2020	31 March 2019
Balances with Government Authorities		
Advance Tax & Income Tax Payment	4.2	5.8
Tax Deducted at Source	9.695	8.752
Excess Credit Balances of GST & Service Tax	45.415	37.719
Total	59.311	52.271

Note 6: Other Non-Financial Assets

(INR in Million)

Particulars	31 March 2020	31 March 2019
Other Non-Current Assets		
Deposits for Income Tax Appeals (Refer Footnote)	4.01	21.182
Total	4.01	21.182
Other Current Assets		
Advances to Suppliers	2.197	0.304
Other Receivables	6.108	11.168
Misc. Assets - IPO Expenses		-
Total	8.305	11.472

Footnote:

- a) Deposits are made with the Income Tax - Commissioner (Appeals) for the A.Y. 2015-16 Rs. 40.10 Lakhs.

Note 7: Inventories

(INR in Million)

Particulars	31 March 2020	31 March 2019
Inventories (lower of cost or net realizable value)		
Stock of material at site	47.609	-
Completed Projects	43.911	8.327
Incomplete Projects Work-In-Progress	1275.45	1372.601
Land Bank	75.559	91.955
Civil Construction Work-In-Progress	47.116	2.169
Closing stock (Contract) – Asset	150.437	71.761
Total	1640.082	1546.813

Footnote:

- a) Refer Note 18 for cost of inventories recognized 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

(INR in Million)

Particulars	31 March 2020	31 March 2019
Authorised Share Capital		
1,40,00,000 (As at 31st March, 2018: 1,40,00,000) Equity Shares of Rs.10/- each	140	140
Issued and subscribed capital comprises:		
1,23,00,000 (As at 31st March, 2018: 1,23,00,000) Equity Shares of Rs.10/- each fully paid-up	123	123

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

(INR in Million)

Particulars	31 March 2020		31 March 2019	
	Number of Equity Shares	Share Capital (INR)	Number of Equity Shares	Share Capital (INR)
Fully paid equity shares (in Million)				
Shares outstanding at the beginning of the year	12.3	123	12.3	123
Add : Issued during the year (Bonus Issue)	-	-	-	-
Add : Issued during the year (Fresh Issue in IPO)	-	-	-	-
Less: Bought back during the year	-	-	-	-
Shares outstanding at the end of the year	12.3	123	12.3	123

1. Terms/ rights attached to equity shares

The Company has a single class of equity shares having a par value of Rs. 2 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, 2020.

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

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

Particulars	As at 31 st March, 2020		As at 31 st March, 2019	
	Number of shares held	% holding	Number of shares held	% holding
Fully paid up equity shares (In Million)				
Naresh Jagumal Karda	56.15	45.65%	56.00	45.53%
Prem Jagumal Karda	5.90	4.80%	5.90	4.80%
Laxman Jagumal Karda	5.50	4.47%	5.50	4.47%

Footnote:

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

- The Company has not issued any shares without payment being received in cash.
- The Company has issued bonus shares during the F.Y. 2019-20 – NIL, F.Y. 2018-19 - NIL & F.Y. 2017-18 - 10.00 Lakhs.
- The Company has not undertaken any buy-back of shares.
- The Company has issued fresh equity shares during the F.Y. 2017-18 - 23.00 Lakhs in an IPO.

8(b): Other Equity

(INR in Million)

Particulars	31 March 2020	31 March 2019
Securities Premium Reserve		
Balance at the beginning of the year	369.133	379.501
Add / (Less) :		
Fresh Issue of Equity Shares in IPO	-	-
Adjustments for Shares Issue Expenses – IPO	-	10.368
Balance at the end of the year (A)	369.133	369.133

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

(INR in Million)

General Reserve	31 March 2020	31 March 2019
Balance at the beginning of the year	450.269	331.153
Add / (Less) :		
Profit attributable to the owners of the Company	96.364	120.975
Items of OCI recognized directly in retained earnings	0.81	0.74
Excess / (Short) Provision of Income Tax	0.364	1.118
Share of Income Tax Expenses – Firm	5.806	-
Balance at the end of the year (B)	539.653	450.269
Total (A+B)	908.786	819.403

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

(INR in Million)

Particulars	31 March 2020	31 March 2019
Secured		
(a) Term loans		
From Banks & Financial Institutions - Rupee loan	797.943	1015.261
	797.943	1015.261
Unsecured	-	-
Total Non-Current Borrowings	797.943	1015.261
Less: Transferred to Current Maturities	427.145	545.506
Total	370.798	469.756

9(a) Borrowings - Current

(INR in Million)

Particulars	31 March 2020	31 March 2019
Secured		
(a) Loan against Construction Projects		
Working Capital Loan / Cash Credit from Banks	177.25	258.252
	177.25	258.252
Unsecured		
(a) Other Loans - Repayable on Demand		
From Related Parties	15.407	9.194
	15.407	9.194
Total	192.657	267.447

Footnote:

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

Name of the Lenders	ROI	Security Offered (Further secured by personal guarantee of one or more promoters)
1. Tata Capital Housing Finance Limited (Term Loan against Constructions of Projects)	15.00%	1. Registered mortgage of Project Land of project 'Hari Om Phase II'
2. Tata Capital Housing Finance Limited (Term Loan against Constructions of Projects)	13.50 %	1. Registered mortgage of Project Land & Building to the extent of Developer share in the project Hari Sanskruti 2. Hypothecation / Assignment of Developer share of Receivables (Sold & Unsold) of Project 'Hari Sanskruti Phase I'
3. Tata Capital Housing Finance Limited (Term Loan against Constructions of Projects)	14.50 %	1. Registered mortgage on unsold proportion of Project Land & Building 'Hari Krishna 4' along with present & future

4. Tata Capital Housing Finance Limited (Term Loan against Constructions of Projects)	15.00 %	1. Registered mortgage on 90 unsold units in the project 'Hari Vishwa'
5. Tata Capital Housing Finance Limited (Term Loan against Constructions of Projects)	14.50 %	1. Registered mortgage on unsold proportion of Project Land & Building of 'Hari Laxmi' along with present & future construction
6. LIC Housing Finance Ltd. (Term Loan against Constructions of Projects)	13.00 %	1. Registered mortgage on entire Project Land of 'Hari Sanskruti Phase II' 2. Hypothecation of share of receivables from the project 'Hari Sanskruti Phase II'
7. State Bank of India (Cash Credit)	12.50 %	1. Registered mortgage of Hari Bhakti Project 2. Registered Mortgage of Plot No. 1, 2, 10 of Gat No.376/1B + 378/2 + NA Plot of Land area admeasuring 968.25 Sq. Mtr. on S. No. 254/3/1 + N.A. Plot No. 7 & 8 3. Hypothecation of Company's Stock & Receivable of Hari Bhakti Project
8. State Bank of India (Term Loan)	12.50 %	1. Registered Mortgage of Hari Vasant Project 2. Registered Mortgage of Plot No. 1, 2, 10 of Gat No.376/1B + 378/2 + NA Plot of Land area admeasuring 968.25 Sq. Mtr. on S. No. 254/3/1 + N.A. Plot No. 7 & 8 3. Hypothecation of Company's Stock & Receivable of Hari Vasant Project
9. The Nashik Road Deolali Vyapari Sahakari Bank Ltd (Term Loan and Overdraft Facility)	13.00 %	1. Registered Mortgage Plot Survey No.13/3/1, Hectar 6060 Sq. Mtr 4549 Sq Mtr and Survey 306/2, Hectar 0.36R Bhagur, Nashik.

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

Note 9: Financial Liabilities

9(b) Other Financial Liabilities - Non Current

(INR in Million)

Particulars	31 March 2020	31 March 2019
Lease Deposits from tenants	0.35	1.196
EMD Deposits	-	4.542
Total	0.35	5.738

9(b) Other Financial Liabilities - Current

(INR in Million)

Particulars	31 March 2020	31 March 2019
Current Maturities of Long Term Debts	427.145	545.506
Branch - KCL DDUGKY Project	6.42	4.814
Shree Sainath Land & Development	39.828	54.451
Viva Highways Limited	1.57	3.211
GST Refund Application	0.119	-
Total	475.082	598.353

Footnote:

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

Note 10: Other Non-Current Liabilities

(INR in Million)

Particulars	31 March 2020	31 March 2019
Booking Advances from Customers:		
Against Real Estate Project	451.732	-
Against Plots & Land	166.172	147.997
Total	617.904	147.997

Note 11: Provisions Non-Current Provisions

(INR in Million)

Particulars	31 March 2020	31 March 2019
Employee Benefits		
Provision for Gratuity	3.231	2.422
	3.231	2.422

Footnote:

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

Current Provisions

(INR in Million)

Particulars	31 March 2020	31 March 2019
Employee Benefits		
Salary Payable	45.31	14.43
Other Provisions for Operating Expenses	11.57	5.72
Total	56.88	20.15

Note 12: Deferred Tax Liabilities / (Deferred Tax Assets)

(INR in Million)

Particulars	31 March 2020	31 March 2019
Opening Balance	0.265	0.393
Temporary difference on account of depreciation on Property, Plant and Equipment	2.66	0.128
Deferred Tax Liabilities / (Deferred Tax Assets) – (Net)	2.395	0.265

Note 13: Trade Payables

(INR in Million)

Particulars	31 March 2020	31 March 2019
-------------	---------------	---------------

Trade Payables		
Dues to MSME	7.786	8.395
Dues to Others	136.47	166.426
Total	144.256	174.821

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:

a) Trade payables include INR 77.86 Lakhs (As at 31st March, 2019: INR 83.95 Lakhs) due to micro, small and medium enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED).

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

c) 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.

d) Trade payables include INR 1.69 lakhs (31st March, 2019: INR 6.51 lakhs) due to related parties. Kindly refer Note 25.

Note 14: Current Tax Liabilities

(INR in Million)

Particulars	31 March 2020	31 March 2019
Provision for Income Tax (FY 2019-20)	32.77	39.5
Provision for Income Tax (FY 2018-19)	24.932	-
Total	57.702	39.5

Note 15: Other Current Liabilities

(INR in Million)

Particulars	31 March 2020	31 March 2019
Payable to Partnership Firms		
Green Enterprises	-	1.563
	-	1.563
Other Payables		
Statutory Dues	6.494	2.357
Total	6.494	3.92

Footnote:

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

Note 16: Revenue from Operations**(INR in Million)**

Particulars	31 March 2020	31 March 2019
Sale from operations		
(a) Sale of Properties / Flats (Residential and Commercial)		869.36
(b) Sale of Land	-	-
(c) Contract Revenue Income	109.917	173.267
(d) Rental Income	2.649	1.4
(e) Other Operating Revenue		
- Profit from Partnership Firms (Net)	2.134	8.939
Total	1141.214	1052.966

Footnote:

Revenue from Operation includes Company's share of profit (net) INR 21.34 lakhs (31st March 2019: INR 89.39 lakhs) from its investment in partnership firms whose financial statements have been audited by other auditors.

Note 17: Other Income**(INR in Million)**

Particulars	31 March 2020	31 March 2019
(a) Interest Income		
- On Bank Deposits	3.241	2.504
- Other Financial Assets	26.55	27.618
(b) Dividend Income from		
- Current Investments (Mutual Funds)	-	-
- Equity Investments (Dividend Income from Bank)	0.106	0.091
(c) Profit from Redemption of Mutual Funds	11.904	0.781
(d) Other Miscellaneous Income	-	-
- Interest on IT Refund	0.334	3.415
Total	42.135	34.41

Note 18: Cost of Construction / Development**(INR in Million)**

Particulars	31 March 2020	31 March 2019
Opening Stock	1546.813	1411.173
Add: Cost incurred during the year		
Cost of Land / Development Rights	46.254	69.236
Consumption of Material	478.508	414.6
Contract cost, labour, and other charges	256.686	242.761
Other construction expenses	0.101	0.734
Contract Expenses	19.798	55.999
Sub Total	801.347	783.33
Less : Closing stock	1640.082	1546.813
Total	708.078	647.69

Note 19: Employee Benefit Expenses**(INR in Million)**

Particulars	31 March 2020	31 March 2019
Salaries, wages, and bonus	24.658	18.691
Salary – Directors	4.8	4.8
Sitting Fees	0.36	0.291
Contribution to Provident Fund	1.498	1.143
Contribution to ESIC Fund	0.336	0.339
Incentive to Staff	2.484	1.959
Staff Welfare Expenses	0.397	0.494
Total	34.534	27.716

Footnote:

- a) Salary to Directors is the managerial remuneration paid to the directors and the same is within the limit of 11% of eligible profits of the Company as per the provisions of section 197 & 198 of the Companies Act, 2013.

Note 20: Finance costs**(INR in million)**

Particulars	31 March 2020	31 March 2019
Interest Expenses on Borrowings	148.456	144.946
Other Borrowing Cost	25.496	19.885
Goa Site	4.566	5.945
Total	178.518	170.776

Footnote:

In line with Ind AS-23 'Borrowing Costs', the borrowing costs of INR 1785.18 Lakhs (For 2018-19: INR 1707.76 Lakhs) have been capitalized to inventory.

Note 21: Selling Expenses**(INR in Million)**

Particulars	31 March 2020	31 March 2019
-------------	---------------	---------------

Marketing Expenses	61.571	42.377
	61.571	42.377

Note 22: Other Expenses

(INR in Million)

Particulars	31 March 2020	31 March 2019
Legal Fees – Project	0.581	0.67
Site Expenses – Indirect	0.059	3.813
Rates and Taxes	3.234	8.322
Compensation on Cancellation of Flat Sale	35.46	7.421
Office Rent	1.8	2.564
Professional Fees	10.338	4.568
Printing and Stationery	0.91	0.358
Other Expenses	7.016	4.908
Corporate Social Responsibility (CSR) (Note 22b)	3.361	2.714
Payments to Auditors (Refer Note 22a)	0.35	0.35
Total	63.109	35.689

Note 22(a): Details of Payments to Auditors

(INR in Million)

Particulars	31 March 2020	31 March 2019
Payment to Auditors		
As Auditor:		
Audit Fees	0.25	0.25
Tax Audit Fees	0.1	0.1
Total	0.35	0.35

Note 22(b): Corporate Social Responsibility Expenditure

(INR in Million)

Particulars	31 March 2020	31 March 2019
CSR Expenses under DDUGKY Scheme	3.163	2
Donations for Social Cause	-	0.15
Tree Plantation & Garden Development Expenses	-	0.03
Other	0.198	0.534
Total	3.361	2.714

Footnote:

CSR expenses under DDUGKY scheme of INR 31.63 lakhs (31st March 2019 : INR 20.00 lakhs) is in respect of contribution made by the Company for the Deen Dayal Upadhyaya Grameen Kaushalya Yojana aimed at enhancing the employability of rural youth as part of the government's skill development initiative

Note 23: Earnings Per Share:

(a) Basic Earnings Per Share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted

average number of equity shares outstanding during the year.

(INR in Million)

Particulars	31 March 2020	31 March 2019
Profit attributable to equity shareholders of the Company	95.554	120.235
Weighted average number of equity shares	12.3	12.3
Nominal Value of Equity Shares	1 /-	1 /-
Basic EPS	0.777	0.978
Diluted EPS	0.777	0.978

For calculation of Earnings Per Share, in case of bonus issue the number of equity share outstanding before the bonus issue is adjusted for proportionate change in number of equity shares outstanding as if the bonus issue had occurred at the beginning of the earliest period reported.

Note 24: Commitments and Contingencies

Contingent Liabilities & Commitments (Not Provided For)

(INR in Million)

Particulars	31 March 2020	31 March 2019
(A) Claims against the Company not acknowledged as debts on account of :		
1. Income Tax and MVAT matters under appeal	3.763	3.763
2. TDS liability on account of short deduction, short payment, and interest thereon as per TRACES	-	-
3. Towards pending legal cases	-	-
(B) On account of corporate guarantees issued by the Company to bankers and others on behalf of other companies and joint ventures for facilities availed by them (amount outstanding there against.) (Refer Footnote c)	982.359	1010.349
Total	986.122	1014.112

Footnote:

a) Interest / penalty that may accrue on original demands are not ascertainable, at present. The Company has taken necessary steps to protect its position with respect to the above referred claims, which in its opinion, based on professional / legal advice are not sustainable.

b) Contingent liabilities include corporate guarantees issued by the Company and relied upon by the Auditors.

c) The management is of the view that it was necessary to provide the corporate guarantees to further the business interest of the Company in the entities on whose behalf such guarantees have been provided and the management is of the view that there would be no sustainable claims on the Company in respect of these corporate guarantees.

The rate of interest, processing fees, any other charges levied by the lenders on the entities availing loans are based on internal guidelines of the lenders depending on the merits of the underlying projects and their estimated cash flows. Majority of the corporate guarantees issued by the Company are basically to provide comfort by the Company as a shareholder of the Borrower entity to the Lenders. These corporate guarantees, in any case, do not result in any additional benefits to the borrowers. Accordingly, the fair value of the corporate guarantees is accepted to be immaterial.

Note 25: Disclosure pursuant to Indian Accounting Standard (Ind-AS) 24 Related Party Disclosures

Related parties have been identified on the basis of representation and information given by the Key Management Personnel.

Sr. No.	Key Management Personnel	Nature of Relation
1	Mr. Naresh Jagumal Karda	Key Managerial Personnel
2	Mr. Manohar Jagumal Karda	Key Managerial Personnel
3	Mrs. Disha Naresh Karda	Key Managerial Personnel
4	Mr. Sandeep Ravindra Shah	Independent Director
5	Mrs. Shweta Raju Tolani	Independent Director
6	Mr. Rahul Kishor Dayama	Independent Director
7	Mr. Anil Nahata (Resigned from the post w.e.f. November 13,2020)	Key Managerial Personnel (CFO)
8	Mr. Liyakat Khan (Appointed as CFO with effect from November 13,2019)	Key Managerial Personnel (CFO)
9	Mrs. Mayura Shinde	Key Managerial Personnel (CS)
10	Mr. Prem Jagumal Karda	Relative of Director
11	Mr. Karamchand Karda	Relative of Director
12	Drishti Ceramics	Proprietary Firm of Director
13	Karda Constructions	Proprietary Firm of Director
14	Green Enterprises	Partnership Firm
15	Karda Infrastructures	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
	The Address Hotel	Partnership Firm of Director

Footnote:

a) The transactions with the related parties are made on terms equivalent to those that prevail in arm's length transactions.

b) No amount has been provided as doubtful debt or advance written off or written back in the year in .

Transactions entered during the year with related parties:				
<i>(INR in Million)</i>				
Sr. No.	Name of the Party	Nature of Transactions	31 March 2020	31 March 2019
1	Mr. Prem Karda	Remuneration	1.2	1.2
2	Mrs. Disha Karda	Remuneration	1.2	1.2
3	Mr. Naresh Karda	Remuneration	1.2	1.2
4	Mr. Manohar Karda	Remuneration	1.2	1.2
5	Mrs. Disha Karda	Rent Payment	0.6	0.6

6	Mr. Naresh Karda	Rent Payment	0.6	0.6
7	Mr. Karamchand Karda	Rent Payment	0.6	0.6
8	Mrs. Shweta Tolani	Sitting Fees	0.168	0.13
9	Mr. Mohanlal Gurnani (Resigned)	Sitting Fees	-	-
10	Mr. Rahul Kishor Dayama	Sitting Fees	0.144	0.112
11	Mr. Sandeep Ravindra Shah	Sitting Fees	0.048	0.049
12	Mr. Kishor Karda	Sitting Fees	-	-
13	Mr. Rahul Kalani (Resigned)	Sitting Fees	-	-
14	Karda Constructions	Interest Payment	1.879	1.122
15	Karda Constructions	Unsecured Loans	323.681	289.629
16	Karda Constructions	Repayment of Unsecured Loans	321.867	320.868
17	Karda Constructions	Rent income	0.031	0.031
18	Drishiti Ceramics	Purchase of Material	2.177	4.749
19	Devesh Infrastructures	Labour Charges	0.031	-
20	Devesh Infrastructures	Rent income	0.031	0.031
21	Karda Buildcon Pvt. Ltd.	Rent income	1.8	0.031
22	The Address Hotel	Rent income	0.013	0.15
23	Green Enterprises	Profit from Firm	2.133	0.034
24	Karda Infrastructures	Profit from Firm	-	16.096
25	Karda Infrastructures	Interest Payment	8.955	3.245
26	Karda Constructions	Rent income	0.031	0.031
27	Bhakti Enterprises	Profit from Firm	0.014	0.029
28	Bhakti Enterprises	Interest Receipt	5.722	0.368
29	Bhakti Enterprises	Rent income	0.031	0.031
30	Shree Sainath Land and Development Pvt. Ltd.	Civil Contract Receipts (Sales)	44.683	105.924
31	Shree Sainath Land and Development Pvt. Ltd.	Rent income	0.031	0.031

	Balances outstanding at the end of the year			
1	Mr. Prem Karda	Remuneration	1.078	-
2	Mrs. Disha Karda	Remuneration	0.443	-
3	Mr. Naresh Karda	Remuneration	0.1	-
4	Mr. Manohar Karda	Remuneration	0.878	-
5	Mrs. Disha Karda	Rent Payment	0.09	-
6	Mr. Naresh Karda	Rent Payment	0.054	-
7	Mr. Karamchand Karda	Rent Payment	0.54	-
8	Karda Constructions	Unsecured Loans	12.7	9.194
9	Drishti Ceramics	Purchase of Material	0.169	0.651
10	Green Enterprises	Closing Capital Balance in Partnership Firms	10.374	1.563
11	Karda Infrastructures		287.093	114.2
12	Bhakti Enterprises		167.742	69.456
13	Shree Sainath Land and Development Pvt. Ltd.	Advance received against Civil Contract	39.828	54.451

Note 26: Financial Risk Management Objectives and Policies

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's senior management oversees the management of these risks. The Company's senior management provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured, and managed in accordance with the Company's policies and risk objectives.

1.1 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 are 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 is 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.**

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Management monitors rolling forecasts of the Company's liquidity position on the basis of expected cash flows. This monitoring includes financial ratios and takes into account the accessibility of cash and cash equivalents. The Company has access to funds from debt markets through loan from banks, commercial papers, fixed deposits from public and other debt instruments. The Company invests its surplus funds in bank fixed deposits and debt based mutual funds.

Note 27:

Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's management is to maximize 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 Million)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Borrowings including current maturities	990.6	1282.708
Interest accrued and due/and but not due	-	-
Unpaid matured debentures and interest accrued thereon	-	-
Total Debt	990.6	1282.708
Less : Cash & Cash Equivalents	-	-
Net Debt (A)	990.6	1282.708
Equity Share Capital	123	123
Other Equity	908.786	819.403
Total Equity (B)	1031.786	942.403
Debt Equity Ratio (A/B)	0.096	0.136

Note 28: Categories of Financial Instruments Fair Value Measurement

(INR in Million)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	FVPL / FVOCI	Amortised Cost	FVPL / FVOCI	Amortised Cost
Financial Assets				
Investments	-	468.469	-	273.125
Trade Receivables	-	121.577	-	112.485
Cash and cash equivalents	-	3.682	-	65.047
Loans & Advances	-	448.774	-	305.451
Other Financial Assets	-	138.499	-	247.961
Total	-	1181.001	-	1004.07
Financial Liabilities				
Borrowings	-	563.455	-	737.203
Trade Payables	-	144.256	-	174.821

Other Financial Liabilities	-	475.432	-	604.091
Total	-	1183.143	-	1516.115

Note 29: Employee Benefits

a) Defined Contribution Plans:

Contribution to Defined Contribution Plans recognized as expense for the year are as under:

(INR in Million)

Particulars	As at 31stMarch, 2020	As at 31stMarch, 2019
Employer's Contribution to Provident Fund (Gross before Allocation)	1.498	1.143
Employer's Contribution to ESIC	0.336	0.339

b) Defined Benefit Plans:

Contribution to Gratuity Fund (Non-Funded)

Gratuity is payable to all eligible employees on death or on separation/ termination in terms of the provisions of the Payment of Gratuity Act or as per the Company's policy whichever is beneficial to the employees.

The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion, and other relevant factors, such as supply and demand in the employment market.

Note 30: Leases

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

(INR in million)

Particulars	As at 31stMarch, 2020	As at 31stMarch, 2019
Operating lease expenses recognised in profit and loss account	1.938	2.564

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 recognized Deferred Tax Assets of Rs.26.60 Lakhs in the Profit and Loss Account, the details of which are as under:

(INR in Million)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Deferred Tax Liabilities (Opening balance)	0.265	0.393
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	2.66	0.128
Deferred Tax Liabilities (Net)	2.395	0.265

Note 32:

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

Note 33: Segment Reporting

a) Basis of Segmentation

Factors used to identify the entity's reportable segments, including the basis of organization

For management purposes, the Company's business activity falls within a two business segment viz. 'Development of Real Estate Property' & 'Civil Contracting Business', the financial statements are reflective of the information required by Ind AS 108 "Operating Segments". The Managing Director of the Company acts as the Chief Operating Decision Maker ("CODM"). The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators.

b) Geographical Information

The geographic information analyses the Company's revenue and Non-Current Assets by the Company's country of domicile and other countries. As the Company is engaged in Development of Real Estate property & Civil Contracting Business in India, it has only one reportable geographical segment.

c) Information about major customers

None of the customers for the years ended March 31, 2020 and March 31, 2019 constituted 10% or more of the total revenue of the Company.

Audited Standalone Segment wise Revenue, Results, Assets and Liabilities for the year ended March 31, 2020:

(INR in Million)

	Particulars	Year Ended	
		31-Mar-20	31-Mar-19
		Audited	Audited
I	Segment Revenue		
	(a) Real Estate	1031.297	879.703
	(b) Civil Contracting Business	109.917	173.263
	Total Segment Revenue	1141.214	1052.966
	Less: Inter segment revenue	-	-
	Net income from Operations	1141.214	1052.966
II	Segment Results (Profit before unallocable (expenditure) / income, interest and finance charges and tax)		
	(a) Real Estate	243.853	260.831
	(b) Civil Contracting Business	29.127	35.882
	Total Segment Results	272.98	297.453
	Add/(Less):		
	Less : Finance Cost	178.518	170.776
	Add: Unallocated Income	42.135	34.41
	Less: Unallocated Expenses	10.123	0.74
	Profit Before Tax	126.474	160.346
III	Segment Assets		
	(a) Real Estate	2588.124	2390.891
	(b) Civil Contracting Business	222.666	100.206
	Total Segment Assets	2810.79	2491.097
	Add: Unallocated assets	95.159	163.54
	Total Assets	2905.949	2654.636
	Segment Liabilities		

	(a) Real Estate	1743.324	1591.435
	(b) Civil Contracting Business	62.988	75.937
	Total Segment Liability	1806.312	1667.372
	Add: Unallocated liabilities	67.85	44.862
	Total Liabilities	1874.162	1712.234

- (1) Unallocated income comprise of other income shown in the financial results.
(2) Unallocated assets primarily comprise of corporate investments and property, plant, and equipment.
(3) Unallocated liabilities include deferred tax liabilities.

Note 34 : Corporate Social Responsibility

The Company has spent INR 33.61 Lakhs during the year (Previous Year 2019 : INR 27.14 Lakhs) as per the provisions of Section 135 of the Companies Act, 2013 towards Corporate Social Responsibility (CSR) activities grouped under 'Other Expenses'.

- (a) Gross amount required to be spend by the Company during the year is INR 31.43 Lakhs (Previous Year 2019: INR 27.04 Lakhs).
(b) Amount spent during the year on:

(INR in Million)

Particulars	Amount Spent in Cash	Amount yet to be paid in Cash	Total Amount
Year ended March 31, 2020			
(i) Construction / Acquisition of any Asset	-	-	-
(ii) On purposes other than (i) above	3.361	-	3.361
Year ended March 31, 2019			
(i) Construction / Acquisition of any Asset	-	-	-
(ii) On purposes other than (i) above	2.714	-	2.714

Note 35 :

Disclosure of outstanding dues of Micro and Small Enterprise under Trade Payables is based on the information available with the Company regarding the status of the suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006. There is no undisputed amount overdue during the years ended and as at March 31, 2020 and March 31, 2019 to Micro, Small and Medium Enterprises on account of principal or interest.

Note 36 :

The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 have not been made since the requirement does not pertain to financial year ended 31 March 2020.

Note 37 :

Cash and Cash Equivalents and Bank Balances include balances in Escrow Account which shall be used only for specified purposes as defined under Real Estate (Regulation and Development) Act, 2016.

Note 38 :

The financial statements for the year ended 31 March 2020 were approved by the Board of Directors and authorised for issue on 29 June 2020.

Note 39:

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

Note 40:

The Company has assessed the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of Receivables, Inventories, Investments, and other assets / liabilities. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these standalone financial statements has used internal and external sources of information. As on current date, the Company has concluded that the impact of COVID – 19 is not material based on these estimates. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties in future periods, if any.

As per our report of even date

***For JPL & Associates
Chartered Accountants***

(Firm Registration No. 132748W)

Sd/-

CA VIPUL LATHI

Partner

Membership No.134897

***For and on behalf of the Board of Directors of
Karda Constructions Limited***

CIN – L45400MH2007PLC17419

Sd/-

NARESH KARDA

Chairman & MD

DIN: 01741279

Sd/-

LIYAKAT M KHAN

Chief Financial Officer

Sd/-

MANOHAR KARDA

Whole Time Director

DIN : 01808564

Sd/-

MAYURA MARATHE

Company Secretary

Place : Nashik

Date: 29 June, 2020

Place : Nashik

Date: 29 June, 2020

Independent Auditors' Report

To The Members of Karda Constructions Limited

Report on the Audit of the Standalone Financial Statements Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

The Key Audit Matter	How the matter was addressed in our audit
1. Accuracy of revenue recognition, measurement, presentation, and disclosures as per IndAS 115 "Revenue from Contracts with Customers".	
Revenue from sale of residential and commercial units represents 82.56% of the total revenue from operations of the Company. Revenue is recognised upon transfer of control of residential and commercial units to customers. The trigger for revenue recognition is normally completion of the project or receipt of approvals on completion from relevant authorities. The Company records revenue over time till the actual possession to the customers or on actual possession to the customers, as determined by the terms of contract with customers.	<u>Principle Audit Procedures</u> <ul style="list-style-type: none">· Evaluating that the Company's revenue recognition accounting policies are in line with the applicable accounting standards;· Identifying the impact on adoption of the new IndAS 115;· Selection of samples of continuing and new contracts with the customers;· Scrutinizing all the revenue journal entries raised throughout the reporting period and comparing details of a sample of these journals with relevant underlying documentation;

<p>Measurement of revenue recorded over time which is dependent on the estimates of the costs to complete</p> <p>Revenue recognition involves significant estimates related to measurement of costs to complete for the projects. Revenue from projects is recorded based on management's assessment of the work completed, costs incurred and accrued and the estimate of the balance costs to complete. Since revenue recognition has direct impact on the Company's profitability, the element of management bias is likely to be involved. Due to the inherent nature of the projects and significant judgment involved in the estimate of costs to complete, there is risk of overstatement or understatement of revenue.</p>	<ul style="list-style-type: none"> · Conducting site visits during the year for selected projects to understand the scope and nature of the projects and to assess the progress of the projects; · Testing sample sales of units for projects with the underlying contracts, completion status and proceeds received from customers; · Evaluation of industry wide procedures adopted for the revenue recognition under this standard. <p>Measurement of revenue recorded over time which is dependent on the estimates of the costs to complete</p> <ul style="list-style-type: none"> · Compared, on a sample basis, revenue transactions recorded during the year with the underlying contracts, progress reports, invoices raised on customers and collections in bank accounts and whether the related revenue had been recognized in accordance with the Company's revenue recognition policies; · Identification and testing operating effectiveness of key controls over recording of actual costs incurred for the projects; · Sighting approvals for changes in estimated costs with the rationale for the changes and related documentation. · Comparison of the estimated costs with the costing details as mentioned for registration of the projects with the MahaRERA website.
<p align="center">2.Valuation of Inventories – Assessing the net realisable value</p>	
<p>Inventory represents the capitalized project costs to date less amounts expensed on sales by reference to the aforementioned projections. It is held at the lower of cost and net realisable value (NRV), the latter also being based on the forecast for the project. As such inappropriate assumptions in these forecasts can impact the assessment of the carrying value of inventories.</p>	<p><u>Principle Audit Procedures</u></p> <ul style="list-style-type: none"> · Discussion with the management to understand the basis of calculation and justification for the estimated recoverable amounts of the unsold units (“the NRV assessment”); · Evaluating the design and implementation of the Company's internal controls over the NRV assessment. Our evaluation included assessing whether the NRV assessment was prepared and updated by appropriate personnel of the Company and whether the key estimates, including estimated future selling prices and costs of completion for all property development projects, used in the NRV assessment, were discussed, and challenged by management as appropriate;

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

Other Information

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

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

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

Management's Responsibility for the Standalone Financial Statements

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

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

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

Board of Directors is also responsible for overseeing the Company's financial reporting process. **for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole

are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

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

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

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure, and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

CA. Vipul Lathi
Partner
Membership No: 134897

Place: Nashik

Date: 29th May,
2019

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT – 31 MARCH 2019

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

(I) In respect of Property, Plant and Equipments

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

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

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

(ii) In respect of Inventories

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

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

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

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

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

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

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

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

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

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

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

(vii) Deposit of Statutory Dues

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

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Profession tax, Property Tax, Labour cess, Income-tax, Goods and Service tax, Cess and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

- According to the information and explanations given to us, there are no dues of Income-tax, Sales tax, Service tax, Value added tax and Goods and Service tax as at 31 March 2019, which have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

(INR in Million)

Name of the statute	Nature of the dues	Period to which the amount relates	Demand Amount	Amount Paid	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	A Y 2014-15	0.15	0.15	Income Tax Appellate Tribunal (ITAT)
Income Tax Act, 1961	Income Tax	A Y 2015-16	3.613	3.613	

(viii) Repayment of Loans and Borrowings

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

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

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

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

(xi) Managerial Remuneration

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

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

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

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

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

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

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

(xv) Compliance under section 192 of Companies Act, 2013 According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.

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

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

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

CA. Vipul Lathi
Partner Membership No: 134897

Place: Nashik

Date: 29th May, 2019

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

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

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

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility

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

Opinion

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

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

CA. Vipul Lathi
Partner Membership No: 134897

Place: Nashik

Date: 29th May, 2019

KARDA CONSTRUCTIONS LIMITED**CIN : L45400MH2007PLC174194****STANDALONE STATEMENT OF ASSETS & LIABILITIES AS ON MARCH 31, 2019***(INR In Million)*

Sr. No.	Particulars	Note No.	As at	As at
			March 31, 2019	March 31, 2018
	ASSETS			
1	Non-Current Assets			
	(a) Property, Plant and Equipment	3	16.607	17.715
	(b) Investment Properties	4	2.221	2.221
	(c) Financial Assets			
	(i) Investments	5(a)		
	- In Partnership Firms		0.022	0.022
	- In Others		3.003	2.903
	(ii) Loans & Advances	5(b)	82.532	59.415
	(iii) Other Financial Assets	5(c)	247.86	90.452
	(d) Other Non-Current Assets	6	21.182	23.417
	Total Non-Current Assets		373.427	196.145
2	Current Assets			
	(a) Inventories	7	1546.813	1411.173
	(b) Financial Assets			
	(i) Investments	5(a)	270.101	20.286
	(ii) Trade Receivables	5(d)	112.485	16.676
	(iii) Cash and Cash Equivalents	5(e)	65.047	919.135
	(iv) Loans & Advances	5(b)	222.919	351.798
	(v) Other Financial Assets	5(c)	0.101	0.055
	(c) Current Tax Assets (Net)	5(f)	52.271	61.965
	(d) Other Current Assets	6	11.472	17.164
	Total Current Assets		2281.209	2798.251
	Total Assets (1+2)		2654.636	2994.396
	EQUITY AND LIABILITIES			
1	EQUITY			
	(a) Equity Share Capital	8(a)	123	123
	(b) Other Equity	8(b)	819.403	710.654
	Total Equity		942.403	833.654
	LIABILITIES			
2	Non-Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	9(a)	469.756	669.623
	(ii) Other Financial Liabilities	9(b)	5.738	1.271
	(b) Other Non-Current Liabilities	10	147.997	133.225
	(c) Provisions	11	2.422	1.682
	(d) Deferred Tax Liabilities	12	0.265	0.393
	Total Non-Current Liabilities		626.178	806.194

3	Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	9(a)	267.447	349.884
	(ii) Trade Payables	13		
	- Total Outstanding Dues of Micro Enterprises and Small Enterprises		8.395	3.707
	- Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises		166.426	141.256
	(iii) Other Financial Liabilities	9(b)	598.353	609.227
	(b) Provisions	11	2.015	5.117
	(c) Current Tax Liabilities (Net)	14	39.5	58.32
	(d) Other Current Liabilities	15	3.92	187.036
	Total Current Liabilities		1086.056	1354.548
	Total Equity & Liabilities (1+2+3)		2654.636	2994.396
	Significant Accounting Policies	1		

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

For JPL & Associates

Chartered Accountants

(Firm Registration No. 132748W)

CA VIPUL LATHI

Partner

Membership No.134897

For and on behalf of the Board of Directors

NARESH KARDA

Chairman & MD.

DIN: 01741279.

MANOHAR KARDA

Whole Time Director

DIN : 01808564

ANIL NAHATA

Chief Financial Officer

Place : Nashik

Date: 29 May, 2019

MAYURA MARATHE

Company Secretary

Place : Nashik

Date: 29 May, 2019

KARDA CONSTRUCTIONS LIMITED
CIN : L45400MH2TEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

Sr. No.	Particulars	Note No.	For the year ended	
			March 31, 2019	March 31, 2018
1	INCOME			
	(a) Revenue from Operations	16	1052.966	1267.913
	(b) Other Income	17	34.41	77.61
	Total Income		1087.375	1345.523
2	EXPENSES			
	(a) Cost of construction / development, land, plots and development rights	18	647.69	848.884
	(b) Employee Benefits Expense	19	27.716	24.312
	(c) Finance costs	20	170.776	204.003
	(d) Depreciation and amortization expense	3	2.782	2.978
	(e) Selling Expenses	21	42.377	45.49
	(f) Other Expenses	22	35.689	31.182
	Total Expenses		927.029	1156.848
3	Profit Before Tax (1-2)		160.346	188.675
4	Tax Expense			
	(a) Current Tax		39.5	58.32
	(b) Deferred Tax Charge / (Credit)		0.128	0.175
	Total Tax Expenses		39.372	58.145
5	Profit for the year (3-4)		120.975	130.53
6	Other Comprehensive Income			
	Items that will not be subsequently reclassified to profit or loss - Remeasurement of defined benefit plan		0.74	0.39
7	Total Comprehensive Income for the year (5+6)		120.235	130.14
8	Earning per Equity Share (EPS) (Face value of INR 10 each)			
	Basic EPS		0.978	1.277
	Diluted EPS		0.978	1.277
	Significant Accounting Policies	1		

INR (In Million)

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

For JPL & Associates

Chartered Accountants

(Firm Registration No. 132748W)

CA VIPUL LATHI

Partner

Membership No.134897

Place : Nashik

Date: 29 May,

2019

For and on behalf of the Board of Directors

NARESH KARDA

Chairman & MD

DIN: 01741279

MANOHAR

KARDA

Whole Time

Director

DIN : 01808564

ANIL NAHATA

Chief Financial Officer

MAYURA

MARATHE

Company Secretary

Place : Nashik

Date: 29 May,

2019

KARDA CONSTRUCTIONS LIES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019

A. EQUITY SHARE CAPITAL

INR (In Million)

Particulars	As At March 31, 2019	As At March 31, 2018
Balance at the beginning of the year	123	90
Changes in equity share capital during the year	-	33
Balance at the end of the year	123	123

B. OTHER EQUITY

Particulars	Reserves and Surplus		Total
	Securities Premium Reserve	General Reserve	
Balance as at 1st April, 2017	-	213.506	213.506
Changes in accounting policy or prior period errors	-	5.478	5.478
Profit / (Loss) for the year	-	130.53	130.53
Items of other comprehensive income: Remeasurement of net defined benefit	-	0.39	0.39
Excess / (Short) Provision for Income Tax	-	2.985	2.985
Issue of fully paid-up Bonus Shares	-	10	10
Issue of Equity Shares under IPO (Net of IPO Expenses)	379.501		
Transfer (to)/from General Reserve	-	-	-
Balance at 31st March, 2018	379.501	331.153	710.653
Balance as at 1st April, 2018	379.501	331.153	710.653
Changes in accounting policy or prior period errors	-	-	-
Profit / (Loss) for the year	-	120.975	
Items of other comprehensive income: Remeasurement of net defined benefit	-	0.74	0.74
Excess / (Short) Provision for Income Tax	-	1.118	1.118
Issue of fully paid-up Bonus Shares	-	-	-
Transfer (to)/from General Reserve	-	-	-
Adjustments for Shares Issue Expenses - IPO	10.368		10.368
Balance at 31st March, 2019	369.133	450.269	819.402

The accompanying notes are an integral part of the financial statements

(a) Securities Premium

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

(b) General Reserves

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

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

For JPL & Associates

Chartered Accountants

(Firm Registration No. 132748W)

For and on behalf of the Board of Directors

CA VIPUL LATHI

Partner

Membership No.134897

NARESH KARDA

Chairman & MD

DIN: 01741279

MANOHAR KARDA

Whole Time Director

DIN : 01808564

ANIL NAHATA

Chief Financial Officer

Place : Nashik

MAYURA MARATHE

Company Secretary

Place : Nashik

Date: 29 May, 2019

Date: 29 May, 2019

KARDA
CONSTRUCTIONS LIMITED
CIN : L45400MH2007PLC174194
STANDALONE STATEMENT
OF CASH FLOWS FOR THE YEAR ENDED
MARCH 31 2019

INR (In Million)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Cash Flow from Operating Activities		
Profit Before Tax:	160.346	188.675
<u>Adjustment for:</u>		
Depreciation and Amortisation	2.782	2.978
Provision for Gratuity	0.74	0.39
Finance Cost	170.776	197.145
Interest Income	30.123	44.656
Dividend Income	0.091	0.11
Profit from Redemption of Mutual Funds	0.781	23.275
Share of Profit from Partnership Firms	8.939	19.908
Adjustments in the Fixed Asset Schedule	-	1.918
Provisions for Deferred Taxes	0.128	0.175
Operating profit before working capital changes	293.359	302.552
Adjustments for changes in working capital		
(Increase) / Decrease in Financial Assets	147.501	38.216
(Increase) / Decrease in Non-Financial Assets	17.621	43.145
(Increase) / Decrease in Inventories	135.64	299.606
Increase / (Decrease) in Financial Liabilities	23.45	488.989
Increase / (Decrease) in Non-Financial Liabilities	170.834	378.326
	119.546	631.46
Taxes Paid (Net)	59.438	45.454
Net Cash Flow from Operating Activities	178.984	586.005
Cash Flow from Investing Activities		
Purchase of Property, Plant & Equipment	1.674	2.876
Sale / (Purchase) of Investments	249.915	162.839
(Investments in) / Withdrawal from Partnership Firms	-	-
Interest Income	30.123	44.656
Dividend Income	0.091	0.11
Profit from Redemption of Mutual Funds	0.781	23.275
Share of Profit from Partnership Firms	8.939	19.908
Net Cash Flow from Investing Activities	211.655	247.912
Cash Flow from Financing Activities		
Proceeds from Issue of Equity Share Capital	-	414
Payment for Share Issue Expenses - IPO	10.368	11.499
Proceeds from / (Repayment of) Long Term Borrowings (Net)	199.867	129.508
Proceeds from / (Repayment of) Short Term Borrowings (Net)	82.437	12.685
Interest Paid	170.776	197.145
Net Cash Flow from Financing Activities	463.448	63.162

Net Increase / (Decrease) in Cash and Cash Equivalents	854.088	897.079
Cash and Cash Equivalents - Opening Balance	919.135	22.056
Cash and Cash Equivalents - Closing Balance	65.047	919.135
See accompanying notes forming part of the financial statements		

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

In terms of the Audit report attached

For JPL & Associates

For and on behalf of the Board of Directors

Chartered Accountants

Firm Registration No. 132748W

CA VIPUL LATHI

NARESHKARDA

MANOHAR KARDA

Chairman & Managing Director. Whole time Director

DIN : 0174127.

DIN : 01741279

Partner
Membership No.134897

Anil Nahata
Chief Financial Officer

Mayura Marathe
Company Secretary

Place : Nashik
Date: 29 May 2019

Place : Nashik
Date: 29 May 2019

I. Company Overview

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

II. Summary of Significant Accounting Policies**(a) Basis of preparation and measurement**

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

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

(b) Operating cycle

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

(c) Fair value measurement

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

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

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

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

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

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

(a) Revenue Recognition

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

Under Ind AS 115, revenue is recognized when or as it satisfies each performance obligation by transferring a promised goods or services to a customer. A goods or service is considered to be transferred when the customer obtains control.

Under Ind AS 115, transfer of control of a good or service over time rather than at a point in time is considered when one

of the following criteria are met:

- The Customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs.
- The entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

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

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

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

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

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

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

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

Interest income is recognized on accrual basis at effective interest rate. Dividend income is accounted when right to receive is established.

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

(e) Property, Plant and Equipment:

Recognition and measurement

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

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant, and equipment.

Property, plant, and equipment are derecognized from financial statements, either on disposal or when no economic benefits are expected from its use or disposal. The gain or losses arising from disposal of property, plant and equipment are recognized in the Statement of Profit and Loss in the year of occurrence.

Assets under construction include the cost of property, plant and equipment that are not ready to use at the balance sheet date. Advances paid to acquire property, plant and equipment before the balance sheet date are disclosed under other non-current assets. Assets under construction are not depreciated as these assets are not yet available for use

Subsequent expenditures

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

in which they are incurred.

Depreciation and amortization

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation / Amortisation on property, plant & equipment of the Company has been provided using the straight line method based on the useful life specified in Schedule II to the Companies Act, 2013.

Assets costing less than INR 5,000 are depreciated at 100% in the year of acquisition. Assets acquired on lease and leasehold improvements are amortised over the primary period of the lease on straight line basis.

The estimated useful lives and residual values of the property, plant & equipment and intangible assets are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Investment property and depreciation

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

(f) Impairment of non-financial assets:

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

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

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

(g) Foreign currency transactions:

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

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

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

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

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

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

(i) Financial Instruments:

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

*Financial Assets Initial
recognition and measurement*

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

Subsequent measurement

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

I) Financial assets at amortised cost

- A financial asset is measured at the amortised cost, if both of the following conditions are met
- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. Interest income from these financial assets is included in other income using the EIR in the Statement of Profit and Loss. The losses arising from impairment are recognized in the Statement of Profit and Loss.

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

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

- These assets are held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets; and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. Fair value movements are recognised in the other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest income and foreign exchange gains or losses which are recognized in profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognised in OCI is reclassified from equity to Profit or Loss and recognised in other income/(loss).

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

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

iv) Equity instruments

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

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

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

Impairment of financial assets

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

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

De-recognition

A financial asset is derecognized when:

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

Financial Liabilities Initial recognition and measurement

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

Subsequent measurement

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

Loans and borrowings

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

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

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

OffseEng financial instruments

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

(a) Inventories:

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

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

(b) Income Tax:

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

Current Tax

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

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

i) Has a legally enforceable right to set off the recognised amounts; and intends either to realise the asset and settle the liability on a net basis or simultaneously. **Deferred Tax**

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

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

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

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

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

Deferred tax assets and liabilities are offset only if:

i) The Company has a legally enforceable right to set off current tax assets against current tax liabilities; and The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

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

(l) Employee benefits:

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

Defined contribution plans

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

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

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

Leave Entitlement

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

(m) Leases:

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

Operating Lease

Agreements which are not classified as finance leases are considered as operating lease. Operating lease payments/income are recognised as an expense/income in the standalone statement of profit and loss on a straight line basis over the lease term unless there is another systematic basis which is more representative of the time pattern of the lease.

(n) Borrowing Costs:

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

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

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

(o) Earnings per share:

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

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

(p) Cash and cash equivalents:

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

in value.

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

(q) Provisions and Contingent Liabilities:

The Company recognizes a provision when there is a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognized nor disclosed in the financial statements.

(r) Dividend:

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

(s) Events after reporting date:

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

(t) Segment Reporting:

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

(u) USE OF ESTIMATES AND JUDGEMENTS

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

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

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

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

Determination of revenue under the satisfaction of performance obligation over a time method necessarily involves making estimates, some of which are of a technical nature, concerning, where relevant, the timing of satisfaction of performance obligation, costs to completion, the expected revenues

from the project or activity and the foreseeable losses to completion. Estimates of project income, as well as project costs, are reviewed periodically. The effect of changes, if any, to estimates is recognised in the financial statements for the period in which such changes are determined. The Company recognises revenue when the Company satisfies its performance obligation.

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

Inventories comprising of completed flats and construction-work-in progress are valued at lower of cost and net realisable value. Net Realisable value is based upon the estimates of the management. The effect of changes, if

any, to the estimates is recognised in the standalone financial statements for the period in which such changes are determined.

I. Recognition and measurement of defined benefit obligations

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

ii. Fair value measurement of financial instruments

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

iii. Impairment losses on investment

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

iv. Deferred taxes

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

v. Provisions and contingencies

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

Karda Constructions Limited

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

Note 3: Property, Plant and Equipment and Capital work-in-progress

(INR in Million)

Particulars	GROSS CARRYING AMOUNT					DEPRECIATION					NET CARRYING AMOUNT	
	As April 2018	at 1,	Additions during the year	Deductions during the year	As at 31 March, 2019	As April 2018	at 1,	For the year	Deductions	Upto 31 March, 2019	As at 31 March, 2019	As at March 31, 2018
a) Plant Property & Equipment												
Buildings	2.737		-	-	2.737	0.177		0.043	-	0.22	2.517	2.56
Plant & Machinery	1.434		0.376	-	1.81	0.516		0.145	-	0.661	1.149	0.1149
Furniture & Fixtures	16.997		0.148	-	17.144	6.244		1.566	-	7.81	9.334	10.753
Computers & Laptops	1.982		0.707	-	2.689	1.436		0.346	-	1.782	0.906	0.546
Vehicles	1.462			-	1.462	0.302		0.178	-	0.48	0.982	0.982
Office Equipments	3.867		0.443	-	4.31	2.089		0.504	-	2.592	1.718	1.778
Total Plant Property & Equipment	28.478		1.674	-	30.152	10.763		2.782	-	13.545	16.607	17.715
b) Intangible Assets											-	-
c) Capital Work-in-Progress											-	-

(INR in Million)

Particulars	GROSS CARRYING AMOUNT					DEPRECIATION					NET CARRYING AMOUNT			
	As at April 2017	at 1, Addition s during the year	Deduction s during the year	As at March 2018	at 31, March 2018	As at April 2017	at 1, For the year	Deductions	Upto March 31, 2018	As at March 2018	at 31, March 2017	As at March 2017	at 31, March 2017	
a) Plant Property & Equipment														
Buildings	2.737	-	-	2.737	0.133	0.043	-	0.177	2.56	2.603				
Plant & Machinery	2.884	0.468	1.918	1.434	0.371	0.206	-	0.577	0.858	2.513				
Furniture & Fixtures	16.611	0.386	-	16.997	4.698	1.547	-	6.244	10.753	11.913				
Computers & Laptops	1.631	0.351	-	1.982	1.109	0.327	-	1.436	0.546	0.522				
Vehicles	0.86	0.64	0.039	1.462	0.123	0.178	-	0.302	1.16	0.737				
Office Equipments	2.836	1.031	-	3.867	1.351	0.677	-	2.028	1.839	1.484				
Total Plant Property & Equipment	27.558	2.876	1.956	28.478	7.785	2.978	-	10.763	17.715	19.773				
b) Intangible Assets									-	-				
c) Capital Work-in-Progress									-	-				

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

Note 4: Investment Properties

(INR in Million)

Particulars	31 March 2019	31 March 2018
Farm House Plot (at S.No.292/1A & 2A, Bhagur)	2.221	2.221
Total	2.221	2.221

Footnote:

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

Note 5: Financial Assets 5(a)

Non-Current Investments

(INR in Million)

Particulars	31 March 2019	31 March 2018
A) Investment in Fully paid-up Equity Instruments (Unquoted)		
Navjeevan Bank	0.1	-
10,000 (As at 31 Mar, 2018: NIL) Equity shares of INR 10/- each		
Nashik Road Deolali Vyapari Bank Ltd.	0.503	0.503
50,250 (As at 31 Mar, 2018: 50,250) Equity shares of INR 10/- each		
Shree Sainath Land & Development (India) Private Limited*	2.4	2.4
2,40,000 (As at 31 Mar, 2018: 2,40,000) Equity shares of INR 10/- each		
Total	3.003	2.903
B) Investment in Partnership Firms (Refer Footnote a)*		
Karda Infrastructures	0.017	0.017
Bhakti Enterprises	0.005	0.005
Total	0.022	0.022
Total Non-Current Investments (A+B)	3.024	2.924

*Refer Related Party Disclosure in Note 25

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

Partnership Firms	Share in profits (%)	
	31 March 2019	31 March 2018
1. M/s. Karda Infrastructures (Refer Footnote c)		
Karda Constructions Ltd	3.333	3.333
Naresh Jagumal Karda	3.334	3.334
Rahul Kalani	3.333	3.333
Total Capital of the firm (In Million)*	114.2	177.507
2. M/s. Bhakti Enterprises		
Naresh Karda	5.5	5.5
Manohar Karda	0.5	0.5
Laxman Karda	0.5	0.5
Prem Karda	0.5	0.5
Bharati M Karda	0.5	0.5
Disha N Karda	0.5	0.5
Karamchand Karda	0.5	0.5
Karda Constructions Ltd	0.5	0.5
Komal Karda	0.5	0.5
Neha Karda	0.5	0.5
Total Capital of the firm (In Million)*	69.456	1.536
3. M/s. Green Entreprises		
Basant Nathumal Gurnani	1.667	1.667
Sujyoti Fininvest Pvt Ltd	3.333	3.333
Karda Constructions Limited	1.167	1.167
Maharaj Birmani	3.333	3.333
Naresh Karda	0.5	0.5
Total Capital of the firm (In Million)*	1.563	2.167
* Total Capital of the firm consists of fixed & current capital (including excess withdrawals from the firm). Refer Note 5(a) & Note 15.		

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

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

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

Particulars	31 March 2019	31 March 2018
A) Investment in Mutual Funds (Quoted) (At cost)		
ICICI Prudential Savings Funds - DP Growth	56.467	20.286
20,7641.226 units (As at March 31, 2018 : 74,994.884 units)		
SBI Short Term Debt Fund	30	-
14,05,797.509 units (As at March 31, 2018 : NIL)		
B) Investment in Partnership Firm (Current Capital)		

Karda Infrastructures	114.183	-
Bhakti Enterprises	69.451	-
Total	270.101	20.286

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

Note 5: Financial Assets

5(b) Non-Current Loans and Advances

(INR in Million)

Particulars	31 March 2019	31 March 2018
Loans/Advances to Related Parties	-	-
Loans/Advances to Others - Secured (Refer Footnote 1 below)		
(a) Advance against Shop	1	1
(b) Advances & Deposits - Land Purchase	81.532	58.415
Total	82.532	59.415

Footnote:

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

5(b) Current Loans and Advances

(INR in Million)

Particulars	31 March 2019	31 March 2018
Loans/Advances to Related Parties	-	-
Loans/Advances to Others - Unsecured, Considered Good	222.919	351.798
Total	222.919	351.798

Footnote:

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

Note 5: Financial Assets

5(c) Other Financial Assets - Non Current

(INR in Million)

Particulars	31 March 2019	31 March 2018
Deposits with Banks (Refer Footnote)	21.73	35.811
Security Deposits	19.488	14.591
Development Agreement Deposits	206.643	40.05
Total	247.86	90.452

Footnote:

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

(INR in Million)

5(c) Other Financial Assets - Current

Particulars	31 March 2019	31 March 2018
Advance against salaries	0.101	0.055
Total	0.101	0.055

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Note 5: Financial Assets

5(d) Trade Receivables

(INR in Million)

Particulars	31 March 2019	31 March 2018
Non-current		
Related Party	-	-
Unsecured, considered good	-	-
Total		
Current		
Related Party	-	-
Unsecured, considered good		
(a) Receivables from Customers - Real Estate	84.815	6.935
(b) Receivables from Customers - Civil Contracts	27.333	9.412
(c) Rent Receivable	0.337	0.329
Total	112.485	16.676
Less: Allowance for doubtful debts	-	-
Total	112.485	16.676

Footnote:

- a) No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person, or from any firms or private companies in which any director is a partner, a director, or a member.
- b) As per the management, there is no uncertainty in recovering dues receivable from trade debtors and thus no provision has been made for doubtful debts.

Note 5: Financial Assets

5(e) Cash and Cash Equivalents

(INR in Million)

Particulars	31 March 2019	31 March 2018
Balances with Banks		
Current Accounts	43.96	107.577
Goa- Current - in EEFC accounts	0.59	0.215
Escrow Accounts (Refer Footnote)	17.315	774.303
RERA Accounts	2.841	31.53
Cash on Hand	0.341	5.51
Total	65.047	919.135

Footnote:

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

Note 5: Financial Assets 5(f)**Current Tax Assets***(INR in Million)*

Particulars	31 March 2019	31 March 2018
Balances with Government Authorities		
Advance Tax & Income Tax Payment	5.8	16.5
Tax Deducted at Source	8.752	6.779
Excess Credit Balances of GST & Service Tax	37.719	38.686
Total	52.271	61.965

Note 6: Other Non-Financial Assets*(INR in Million)*

Particulars	31 March 2019	31 March 2018
Other Non-Current Assets		
Deposits for Income Tax Appeals (Refer Footnote)	21.182	23.417
Total	21.182	23.417
Other Current Assets		
Advances to Suppliers	0.304	0.611
Other Receivables	11.168	7.203
Misc. Assets - IPO Expenses	-	9.35
Total	11.472	17.164

Footnote:

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

*Note 7: Inventories***(INR in Million)**

Particulars	31 March 2019	31 March 2018
Inventories (lower of cost or net realisable value)		
Stock of material at site	-	7.211
Completed Projects	8.327	8.448
Incomplete Projects Work-In-Progress	1372.601	1260.995
Land Bank	91.955	113.522
Civil Construction Work-In-Progress	2.169	-
Closing stock (Contract) - Asset	71.761	20.997
Total	1546.813	1411.173

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
(INR in Million)

Particulars	31 March 2019	31 March 2018
Authorised Share Capital		
1,40,00,000 (As at 31st March, 2018: 1,40,00,000) Equity Shares of Rs.10/- each	140	140
Issued and subscribed capital comprises:		
1,23,00,000 (As at 31st March, 2018: 1,23,00,000) Equity Shares of Rs.10/- each fully paid-up	123	123

Particulars	31 March 2019		31 March 2018	
	Number of Equity Shares	Share Capital (INR)	Number of Equity Shares	Share Capital (INR)
Fully paid equity shares (in Million)				
Shares outstanding at the beginning of the year	12.3	123	9	90
Add : Issued during the year (Bonus Issue)	-	-	1	10
Add : Issued during the year (Fresh Issue in IPO)	-	-	2.3	23
Less: Bought back during the year	-	-	-	-
Shares outstanding at the end of the year	12.3	123	12.3	123

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Number of shares held	% holding	Number of shares held	% holding
Fully paid up equity shares (In Million)				
Naresh Jagumal Karda	5.6	45.53 %	5.6	45.53 %
Prem Jagumal Karda	0.59	4.80%	0.59	4.80 %
Laxman Jagumal Karda	0.55	4.47%	0.55	4.47 %

Reconciliation of number of shares outstanding at the beginning and at the end of the year (INR in Million)

1. Terms / rights attached to equity shares

The Company has a single class of equity shares having a par value of Rs. 2 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The Board of Directors have not declared dividend for the year ending 31st March, 2019.

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

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

Footnote:

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

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

8(b) : Other Equity

Particulars	31 March 2019	31 March 2018
Securities Premium Reserve		
Balance at the beginning of the year	379.501	-
Add / (Less) :		
Fresh Issue of Equity Shares in IPO	-	391
Adjustments for Shares Issue Expenses - IPO	10.368	11.499
Balance at the end of the year (A)	369.133	379.501

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

(INR in Million)

General Reserve	31 March 2019	31 March 2018
Balance at the beginning of the year	331.153	213.506
Add / (Less) :		
Issue of fully paid-up bonus shares	-	10
Prior Period Errors	-	5.478
Profit attributable to the owners of the Company	120.975	130.53
Items of OCI recognised directly in retained earnings	0.74	0.39
Excess / (Short) Provision of Income Tax	1.118	2.985
Balance at the end of the year (B)	450.269	331.153
Total (A+B)	819.403	710.654

Note 9: Financial Liabilities**9(a) Borrowings – Non Current***(INR in Million)*

Particulars	31 March 2019	31 March 2018
Secured		
(a) Term loans		
From Banks & Financial Institutions - Rupee loan	1015.261	918.718
	1015.261	918.718
Unsecured	-	-
Total Non-Current Borrowings	1015.261	918.718
Less: Transferred to Current Maturities	545.506	249.095
Total	469.756	669.623

9(a) Borrowings - Current*(INR in Million)*

Particulars	31 March 2019	31 March 2018
Secured		
(a) Loan against Construction Projects		
Working Capital Loan / Cash Credit from Banks	258.252	310.572
	258.252	310.572
Unsecured		
(a) Other Loans - Repayable on Demand		
From Related Parties	9.194	39.312
	39.312	39.312
Total	267.447	349.884

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Footnote:

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

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

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

Karda Constructions Limited
Notes to the Financial Statements for the year ended 31 March 2019

Note 9: Financial Liabilities

9(b) Other Financial Liabilities - Non Current

(INR in Million)

Particulars	31 March 2019	31 March 2018
Lease deposits from tenants	1.196	1.271
EMD Deposits	4.542	-
Total	5.738	1.271

Footnote:

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

9(b) Other Financial Liabilities - Current

(INR in Million)

Particulars	31 March 2019	31 March 2018
Current Maturities of Long Term Debts	545.506	249.095
Karda Constructions - Offer for Sale	-	360
Branch - KCL DDUGKY Project	4.814	0.133
Shree Sainath Land & Development	54.451	-
Viva Highways Limited	3.211	-
Total	598.353	609.227

Footnote:

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

Note 10: Other Non-Current Liabilities

(INR in million)

Particulars	31 March 2019	31 March 2018
Booking Advances from Customers:		
Against Real Estate Project	-	14.778
Against Plots & Land	147.997	118.446
Total	147.997	133.225

Note 11: Provisions

Non-Current Provisions

(INR in Million)

Particulars	31 March 2019	31 March 2018
Employee Benefits		
Provision for Gratuity	2.422	1.682
Total	2.422	1.682

Footnote:

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

Current Provisions

(INR in Million)

Particulars	31 March 2019	31 March 2018
Employee Benefits		
Salary Payable	1.443	2.983
Other Provisions	0.572	2.134
Total	2.015	5.117

Note: 12 Deferred Tax Liabilities

(INR in Million)

Particulars	31 March 2019	31 March 2018
Opening Balance	0.393	0.568
Temporary difference on account of depreciation on Property, Plant and Equipment	0.128	0.175
Deferred Tax Liabilities (Net)	0.265	0.393

Note 13: Trade Payables

(INR in Million)

Particulars	31 March 2019	31 March 2018
Trade Payables		
Dues to MSME	8.395	3.707
Dues to Others	166.426	141.256
Total	174.821	144.963

Footnotes:

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

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

- b) Trade payables include INR 83.95 Lakhs (Asat 31st March, 2018: INR 37.07 Lakhs) due to micro, small and medium enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED).
- c) Company has not made any provision for interest to be paid/payable to micro and small enterprises during the year.
- d) The above information has been determined to the extent such parties could be identified on the basis of the information available with the Company regarding the status of parties under the MSMED Act and has been relied upon by the auditors.
- e) Trade payables include INR16.51 lakhs (31 st March, 2018: Rs.12.20 lakhs) due to related parties. Kindly refer Note 25.

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Note 14: Current Tax Liabilities**(INR in Million)**

Particulars	31 March 2019	31 March 2018
Provision for Income Tax	39.5	58.32
Total	39.5	58.32

Note 15: Other Current Liabilities**(INR in Million)**

Particulars	31 March 2019	31 March 2018
Payable to Partnership Firms		
Green Enterprises	1.563	2.167
Karda Infrastructures	-	177.524
Bhakti Enterprises	-	1.541
	1.563	181.232
Other Payables		
Statutory Dues	2.357	5.805
Total	3.92	187.036

Footnote:

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

Note 16: Revenue from Operations**(INR in Million)**

Particulars	31 March 2019	31 March 2018
Sale from operations		
(a) Sale of Properties / Flats (Residential and Commercial)	869.36	1181.969
(b) Sale of Land	-	10.1
(c) Contract Revenue Income	173.267	53.318
(d) Rental Income	1.4	2.618
(e) Other Operating Revenue		
- Profit from Partnership Firms (Net)	8.939	19.908
Total	1052.966	1267.913

Footnote:

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

Note 17: Other Income**(INR in Million)****Note No:18 Cost of Construction / Development**

Particulars	31 March 2019	31 March 2018
Opening Stock	1411.173	1710.779
Add: Cost incurred during the year		
Cost of Land / Development Rights	69.236	43.466
Consumption of Material	414.6	289.979
Contract cost, labour, and other charges	242.761	134.241
Other construction expenses	0.734	23.358
Contract Expenses	55.999	58.234
Sub Total	783.33	549.278
Less : Closing stock	1546.813	1411.173
Total	647.69	848.884

(INR in Million)

Note 19: Employee Benefit Expenses

Particulars	31 March 2019	31 March 2018
(a) Interest Income		
- On Bank Deposits	2.504	2.53
- Other Financial Assets	27.618	42.125
(b) Dividend Income from		
- Current Investments (Mutual Funds)		-
- Equity Investments (Dividend Income from Bank)	0.091	0.11
(c) Profit from Redemption of Mutual Funds	0.781	23.275
(d) Other Miscellaneous Income	-	9.569
- Interest on IT Refund	3.415	-
Total	34.41	77.61

Particulars	31 March 2019	31 March 2018
Salaries, wages, and bonus	18.691	17.29
Salary - Directors	4.8	5.22
Sitting Fees	0.291	0.267
Contribution to Provident Fund	1.143	1.04
Contribution to ESIC Fund	0.339	0.383
Incentive to Staff	1.959	-
Staff Welfare Expenses	0.494	0.112
Total	27.716	24.312

Footnote:

(a) Salary to Directors is the managerial remuneration paid to the directors and the same is within the limit of 11% of eligible profits of the Company as per the provisions of section 197 & 198 of the Companies Act, 2013.

Note 20: Finance costs*(INR in Million)*

Particulars	31 March 2019	31 March 2018
Interest Expenses on Borrowings	144.946	189.53
Other Borrowing Cost	19.885	7.615
Goa	5.945	6.858
Total	170.776	204.003

Footnote:

a) In line with Ind AS-23 'Borrowing Costs', the borrowing costs of INR 1707.76 lakhs (For 2017-18: INR 1971.45 Lakhs) have been capitalised to inventory.

Note 21: Selling Expenses*(INR in Million)*

Particulars	31 March 2019	31 March 2018
Marketing Expenses	42.377	45.49
	42.377	45.49

Note 22: Other Expenses*(INR in Million)*

Particulars	31 March 2019	31 March 2018
Legal Fees - Project	0.67	2.155
Site Expenses - Indirect	3.813	2.652
Rates and Taxes	8.322	0.719
Compensation on Cancellation of Flat Sale	7.421	13.017
Office Rent	2.564	2.318
Professional Fees	4.568	4.15
Printing and Stationery	0.358	0.558
Other Expenses	4.908	3.366
Corporate Social Responsibility (CSR) (Note 22b)	2.714	1.772
Payments to Auditors (Refer Note 22a)	0.35	0.475
Total	35.689	31.182

Note 22(a): Details of Payments to Auditors*(INR in Million)*

Particulars	31 March 2019	31 March 2018
Payment to Auditors		
As Auditor:		
Audit Fees	0.25	0.4
Tax Audit Fees	0.1	0.075
Total	0.35	0.475

Note 22(b): Corporate Social Responsibility Expenditure*(INR in Million)*

Particulars	31 March 2019	31 March 2017
CSR Expenses under DDUGKY Scheme	2	0.195
Donations for Social Cause	0.15	1.105
Tree Plantation & Garden Development Expenses	0.03	0.473
Other	0.534	-
Total	2.714	1.772

Footnote:

CSR expenses under DDUGKY scheme of INR 20.00 lakhs (31st March 2018 : INR 1.95 lakhs) is in respect of contribution made by the Company for the Deen Dayal Upadhyaya Grameen Kaushalya Yojana aimed at enhancing the employability of rural youth as part of the government's skill development initiative.

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Note 23 : Earnings Per Share:*(a) Basic Earnings Per Share*

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

(INR in Million)

Particulars	31 March 2019	31 March 2018
Profit attributable to equity shareholders of the Company	120.235	130.14
Weighted average number of equity shares	12.3	10.192
Nominal Value of Equity Shares	1/-	1/-
Basic EPS	0.978	1.277
Diluted EPS	0.978	1.277

For calculation of Earnings Per Share, in case of bonus issue the number of equity share outstanding before the bonus issue is adjusted for proportionate change in number of equity shares outstanding as if the bonus issue had occurred at the beginning of the earliest period reported.

Note 24: Commitments and Contingencies**Contingent Liabilities & Commitments (Not Provided For)***(INR in Million)*

Particulars	31 March 2019	31 March 2018
(A) Claims against the Company not acknowledged as debts on account of :		
1. Income tax and MVAT matters under appeal	3.763	30.767
2. TDS liability on account of short deduction, short payment and interest thereon as per TRACES	-	0.004
3. Towards pending legal cases	-	-
(B) On account of corporate guarantees issued by the Company to bankers and others on behalf of other companies and joint ventures for facilities availed by them (amount outstanding there against.) (Refer Footnote c)	1010.349	421.62
Total	1014.112	452.391

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 Disclosures: Related parties have been identified on the basis of representation and information given by the Key Management Personnel.

Sr. No.	Key Management Personnel	Nature of Relation
1	Mr. Naresh Jagumal Karda	Key Managerial Personnel
2	Mr. Manohar Jagumal Karda	Key Managerial Personnel
3	Mrs. Disha Naresh Karda	Key Managerial Personnel
4	Mr. Sandeep Ravindra Shah	Independent Director
5	Mrs. Shweta Raju Tolani	Independent Director
6	Mr. Rahul Kishor Dayama	Independent Director
7	Mr. Anil Nahata	Key Managerial Personnel (CFO)
8	Mrs. Mayura Shinde	Key Managerial Personnel (CS)
9	Mr. Prem Jagumal Karda	Relative of Director
10	Mr. Karamchand Karda	Relative of Director
11	Drishti Ceramics	Proprietary Firm of Director
12	Karda Constructions	Proprietary Firm of Director
13	Green Enterprises	Partnership Firm
14	Karda Infrastructures	Partnership Firm
15	Bhakti Enterprises	Partnership Firm
16	Devesh Infrastructures	Partnership Firm of Director
17	Karda Buildcon Private Limited	Associate
18	Shree Sainath Land and Development Pvt. Ltd.	Associate
19	The Address Hotel	Partnership Firm of Director

Footnote:

- (a) The transactions with the related parties are made on terms equivalent to those that prevail in arm's length transactions.
- (b) No amount has been provided as doubtful debt or advance written off or written back in the year in respect of debts due from/to above related parties.

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(INR in Million)

Sr. No.	Name of the Party	Nature of Transactions	31 March 2019	31 March 2018
1	Mr. Prem Karda	Remuneration	1.2	1.2
2	Mrs. Disha Karda	Remuneration	1.2	1.2
3	Mr. Naresh Karda	Remuneration	1.2	1.62
4	Mr. Manohar Karda	Remuneration	1.2	1.2
5	Mrs. Disha Karda	Rent Payment	0.6	0.6
6	Mr. Naresh Karda	Rent Payment	0.6	0.6
7	Mr. Karamchand Karda	Rent Payment	0.6	0.6
8	Mrs. Shweta Tolani	Sitting Fees	0.13	0.138
9	Mr. Mohanlal Gurnani (Resigned)	Sitting Fees	-	0.028
10	Mr. Rahul Kishor Dayama	Sitting Fees	0.112	0.028
11	Mr. Sandeep Ravindra Shah	Sitting Fees	0.049	0.021
12	Mr. Kishor Karda	Sitting Fees	-	0.027
13	Mr. Rahul Kalani (Resigned)	Sitting Fees	-	0.025
14	Karda Constructions	Interest Payment	1.122	18.709
15	Karda Constructions	Unsecured Loans	289.629	461.858
16	Karda Constructions	Repayment of Unsecured Loans	320.868	509.627
17	Karda Constructions	Rent Income	0.031	0.031
18	Drishti Ceramics	Purchase of Material	4.749	4.117
19	Devesh Infrastructures	Labour Charges	-	0.546
20	Devesh Infrastructures	Rent Income	0.031	0.031
21	Karda Buildcon Private Limited	Rent Income	0.031	0.031
22	The Address Hotel	Rent Income	0.15	-
23	Green Enterprises	Profit from Firm	0.034	0.008
24	Karda Infrastructures	Profit from Firm	16.096	22.293
25	Karda Infrastructures	Interest Payment	3.245	-
26	Karda Infrastructures	Rent Income	0.031	0.031
27	Bhakti Enterprises	Profit from Firm	0.029	0.065
28	Bhakti Enterprises	Interest Receipt	0.368	-
29	Bhakti Enterprises	Rent Income	0.031	0.031
30	Shree Sainath Land and Development Pvt. Ltd.	Civil Contract Receipts (Sales)	105.924	-
31	Shree Sainath Land and Development Pvt. Ltd.	Rent Income	0.031	0.031
	Balances outstanding at the end of the year			
1	Mr. Prem Karda	Remuneration	-	0.252
2	Mrs. Disha Karda	Remuneration	-	0.687
3	Mr. Naresh Karda	Remuneration	-	-
4	Mr. Manohar Karda	Remuneration	-	0.816
5	Mrs. Disha Karda	Rent Payment	-	0.45
6	Mr. Naresh Karda	Rent Payment	-	0.644
7	Mr. Karamchand Karda	Rent Payment	-	0.54
8	Karda Constructions	Unsecured Loans	9.194	39.312
9	Drishti Ceramics	Purchase of Material	0.651	0.674
10	Devesh Infrastructures	Labour Charges	-	0.546
11	Green Enterprises	Closing Capital Balance in Partnership Firms	1.563	2.167
12	Karda Infrastructures		114.2	177.507
13	Bhakti Enterprises		69.456	1.536
14	Shree Sainath Land and Development Pvt. Ltd.	Advance received against Civil Contract	54.451	-

Note 26 : Financial Risk Management Objectives and Policies

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's senior management oversees the management of these risks. The Company's senior management provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured, and managed in accordance with the Company's policies and risk objectives.

1 Market Risk Market risk is the risk that the fair value of future cash flows of a financial instrument which fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Major financial instruments affected by market risk include loans and borrowings.

- (a) **Interest rate risk** Majority of the long-term borrowings of the Company bear fixed interest rate and thus interest rate risk is limited for the Company.
- (b) **Foreign currency risk** The Company is engaged in real estate business and the imports made by the Company is very minimal for which hedging instruments are not required.
- (c) **Equity price risk** The Company's equity securities are not majorly susceptible to market price risk. However, the Company's Board of Directors reviews and approves all equity investment decisions after exercising due diligence which may affect the market related risk.

2 Credit Risk Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure of the financial assets are contributed by trade receivables, unbilled revenue, cash and cash equivalents and receivables from group companies.

- (a) **Receivables resulting from sale of properties:** Customer credit risk is managed by requiring customers to pay advances before transfer of ownership, thereby substantially eliminating the Company's credit risk in this respect.
- (b) **Receivables resulting from other than sale of properties:** Credit risk related to such receivables is managed as per Company's established policy, procedures, and control. Outstanding customer receivables are regularly monitored. The impairment analysis is performed at each reporting date on an individual basis for major receivables. The Company does not hold collateral as security. The Company's credit period generally ranges from 30 to 90 days.
- (c) **Credit risk on cash and cash equivalents is limited as the Company generally invests deposit with banks which have high credit ratings.**

3 Liquidity Risk Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Management monitors rolling forecasts of the Company's liquidity position on the basis of expected cash flows. This monitoring includes financial ratios and takes into account the accessibility of cash and cash equivalents.

The Company has access to funds from debt markets through loan from banks, commercial papers, fixed deposits from public and other debt instruments. The Company invests its surplus funds in bank fixed deposits and debt based mutual funds.

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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

Million)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Borrowings including current maturities	1282.708	1268.602
Interest accrued and due/and but not due	-	-
Unpaid matured debentures and interest accrued thereon	-	-
Total Debt	1282.708	1268.602
Less : Cash & Cash Equivalents	-	-
Net Debt (A)	1282.708	1268.602
Equity Share Capital	123	123
Other Equity	819.403	710.654
Total Equity (B)	942.403	833.654
Debt Equity Ratio (A/B)	0.136	0.152

Note 28 :

Categories of Financial Instruments

(INR in Million)

Fair Value
Measurement

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	FVPL / FVOCI	Amortised Cost	FVPL / FVOCI	Amortised Cost
Financial Assets				
Investments	-	273.125	-	23.21
Trade Receivables	-	112.485	-	16.676
Cash and cash equivalents	-	65.047	-	919.135
Loans & Advances	-	305.451	-	411.213
Other Financial Assets	-	247.961	-	90.507
Total	-	1004.07	-	1460.741
Financial Liabilities				
Borrowings	-	737.203	-	1019.507
Trade Payables	-	174.821	-	144.963

Other Financial Liabilities	-	604.091	-	610.498
Total	-	1516.115	-	1774.969

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Note 29 : Employee Benefits**(a) Defined Contribution Plans:**

Contribution to Defined Contribution Plans recognised as expense for the year are as under:

(INR in Million)

Particulars	As at 31st 2019	March,	As at 31st 2018	March,
Employer's Contribution to Provident Fund (Gross before Allocation)	1.143		1.04	
Employer's Contribution to ESIC	0.339		0.383	

(b) Defined Benefit Plans:**Contribution to Gratuity Fund (Non-Funded)**

Gratuity is payable to all eligible employees on death or on separation/ termination in terms of the provisions of the Payment of Gratuity Act or as per the Company's policy whichever is beneficial to the employees.

The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion, and other relevant factors, such as supply and demand in the employment market.

Note 30 : Leases

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

(INR in Million)

Particulars	As at 31st 2019	March,	As at 31st 2018	March,
Operating lease expenses recognised in profit and loss account	2.564		2.318	

The lease term do not contain any exceptional / restrictive covenants nor are there any options given by the lesser to purchase the properties. The agreement provide for changes in the rentals along with taxes leviable.

Note 31 : Disclosure Pursuant To Indian Accounting Standard (Ind-AS) 12 Income Taxes:

The Company has recognised Deferred Tax Assets of Rs.1.28 Lakhs in the Profit and Loss Account, the details of which are as under:

(INR in Million)

Particulars	As at 31st 2019	March,	As at 31st 2018	March,
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	0.128		0.175	
Deferred Tax Liabilities (Net)	0.128		0.175	

Note 32 :

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

Note 33 : Segment Reporting

(a) Basis of Segmentation Factors used to identify the entity's reportable segments, including the basis of Organisation For management purposes, the Company's business activity falls within a two business segment viz. 'Development of Real Estate Property' & 'Civil Contracting Business', the financial statements are reflective of the information required by Ind AS 108 "Operating Segments". The Managing Director of the Company acts

as the Chief Operating Decision Maker (“CODM”). The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators.

(b) Geographical Information

The geographic information analyses the Company's revenue and Non-Current Assets by the Company's country of domicile and other countries. As the Company is engaged in Development of Real Estate property & Civil Contracting Business in India, it has only one reportable geographical segment

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(c) Information about major customers

None of the customers for the years ended March 31, 2019 and March 31, 2018 constituted 10% or more of the total revenue of the Company.

Audited Standalone Segment wise Revenue, Results, Assets and Liabilities for the year ended March 31, 2019:

(INR In Million)

	Particulars	Year Ended	
		31-Mar-19	31-Mar-18
I	Segment Revenue		1214.595
	(a) Real Estate	879.703	
	(b) Civil Contracting Business	173.263	53.318
	Total Segment Revenue	1052.966	1267.913
	Less: Inter segment revenue	-	-
	Net income from operations	1052.966	1267.913
II	Segment Results (Profit before unallocable (expenditure) / income, interest and finance charges and tax)		
	(a) Real Estate	260.831	295.467
	(b) Civil Contracting Business	35.881	12.743
	Total segment results	296.713	308.21
	Add/(Less):		
	Less : Interest and finance charges	170.776	204.003
	Add: Unallocated Income (Other Income)	34.41	77.61
	Profit Before Tax	160.346	188.675
III	Segment Assets		
	(a) Real Estate	2554.431	2955.322
	(b) Civil Contracting Business	100.206	39.074
	Total segment assets	2654.636	2994.396
	Add: Unallocated assets		-
	Total Assets	2654.636	2994.396
	Segment Liabilities		
	(a) Real Estate	1636.297	2155.013
	(b) Civil Contracting Business	75.937	5.73
	Total segment liability	1712.234	2160.742
	Add: Unallocated liabilities		-
	Total Liabilities	1712.234	2160.742

- (1) Unallocated income comprise of other income shown in the financial results.
- (2) Unallocated assets primarily comprise of corporate investments and property, plant, and equipment.
- (3) Unallocated liabilities include deferred tax liabilities.

Note 34 : Corporate Social Responsibility

The Company has spent INR 27.14 Lakhs during the year (Previous Year 2018 : INR 17.72 Lakhs) as per the provisions of Section 135 of the Companies Act, 2013 towards Corporate Social Responsibility (CSR) activities grouped under 'Other Expenses'.

(a) Gross amount required to be spend by the Company during the year is INR 27.04 Lakhs (Previous Year 2018 : INR 17.45 Lakhs).

(b) Amount spent during the year on:

(INR in Million)			
Particulars	Amount Spent in Cash	Amount yet to be paid in Cash	Total Amount
Year ended March 31, 2019			
(i) Construction / Acquisition of any Asset	-	-	-
(ii) On purposes other than (i) above	2.714	-	2.714
Year ended March 31, 2018			
(i) Construction / Acquisition of any Asset	-	-	-
(ii) On purposes other than (i) above	1.772	-	1.772

Note 35 :

Disclosure of outstanding dues of Micro and Small Enterprise under Trade Payables is based on the information available with the Company regarding the status of the suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006. There is no undisputed amount overdue during the years ended and as at March 31, 2019 and March 31, 2018 to Micro, Small and Medium Enterprises on account of principal or interest.

Note 36 :

The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 have not been made since the requirement does not pertain to financial year ended 31 March 2019.

Note 37 :

Cash and Cash Equivalents and Bank Balances includes balances in Escrow Account which shall be used only for specified purposes as defined under Real Estate (Regulation and Development) Act, 2016.

Note 38 :

The financial statements for the year ended 31 March 2019 were approved by the Board of Directors and authorised for issue on 28 May 2019.

Note 39 :

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

As per our report of even date
For JPL & Associates

For and on behalf of the Board of Directors

Chartered Accountants

(Firm Registration No.
132748W)

NARESH KARDA

Chairman & MD
DIN: 01741279

MANOHAR KARDA

Whole Time Director
DIN : 01808564

CA VIPUL LATHI

Partner

Membership No.134897

Place : Nashik Date: 29 May, 2019

ANIL NAHATA

Chief Financial Officer

Place : Nashik Date: 29 May, 2019

MAYURA MARATHE

Company Secretary

<u>The Company - Issuer</u> KBC Global Limited 2nd Floor, Gulmohar Status, Above Business Bank, Samarth Nagar, Nashik - 422005, Maharashtra, India.	<u>Merchant Banker - Manager</u> GYR CAPITAL ADVISORS PVT. LIMITED SEBI Category-1 Merchant Banker 428, Gala Empire, Near J B Tower, Drive In Road, Thaltej Ahmedabad 380 054, Gujarat, India.
<u>Principal Paying and Conversion Agent</u> SBM Fund Services Limited SBM Tower 1, Queen Elizabeth II Avenue, Port Louis, Mauritius	<u>Registrar Transfer Agent</u> Accurate Securities and Registry Private Limited Shangrila Arcade, 203, above Samsung Showroom, near Shyamal Cross Road, Satellite, Ahmedabad, Gujarat-380015
<u>Indian Legal Counsel</u> LEGAL SOLIS LLP S-1 Abv. Kalra Bus Service Hawa Sadak, Civil Lines, Jaipur -302006, India	<u>Foreign Counsel</u> Mr. Vyomesh Dave 49, The Paddocks Essex - SS6 8NE, United Kingdom.
<p style="text-align: center;"><i>Lead Arranger</i> Aries Capital Limited Sofia House 3rd Floor 48 Church Street Hamilton HM12 Bermuda</p>	
<p style="text-align: center;"><u>Auditors of the Company</u> Sharp Aarth & Co. 68, 6th Floor Business Bay, Shri Hari Kute Marg, Tidke Colony, Nashik, Maharashtra - 422002</p>	

US\$95,000,000.00

KBC Global Limited

[1.50% Coupon with 15% Discount Senior Notes due 10th December 2025

OFFERING MEMORANDUM

6th January 2023