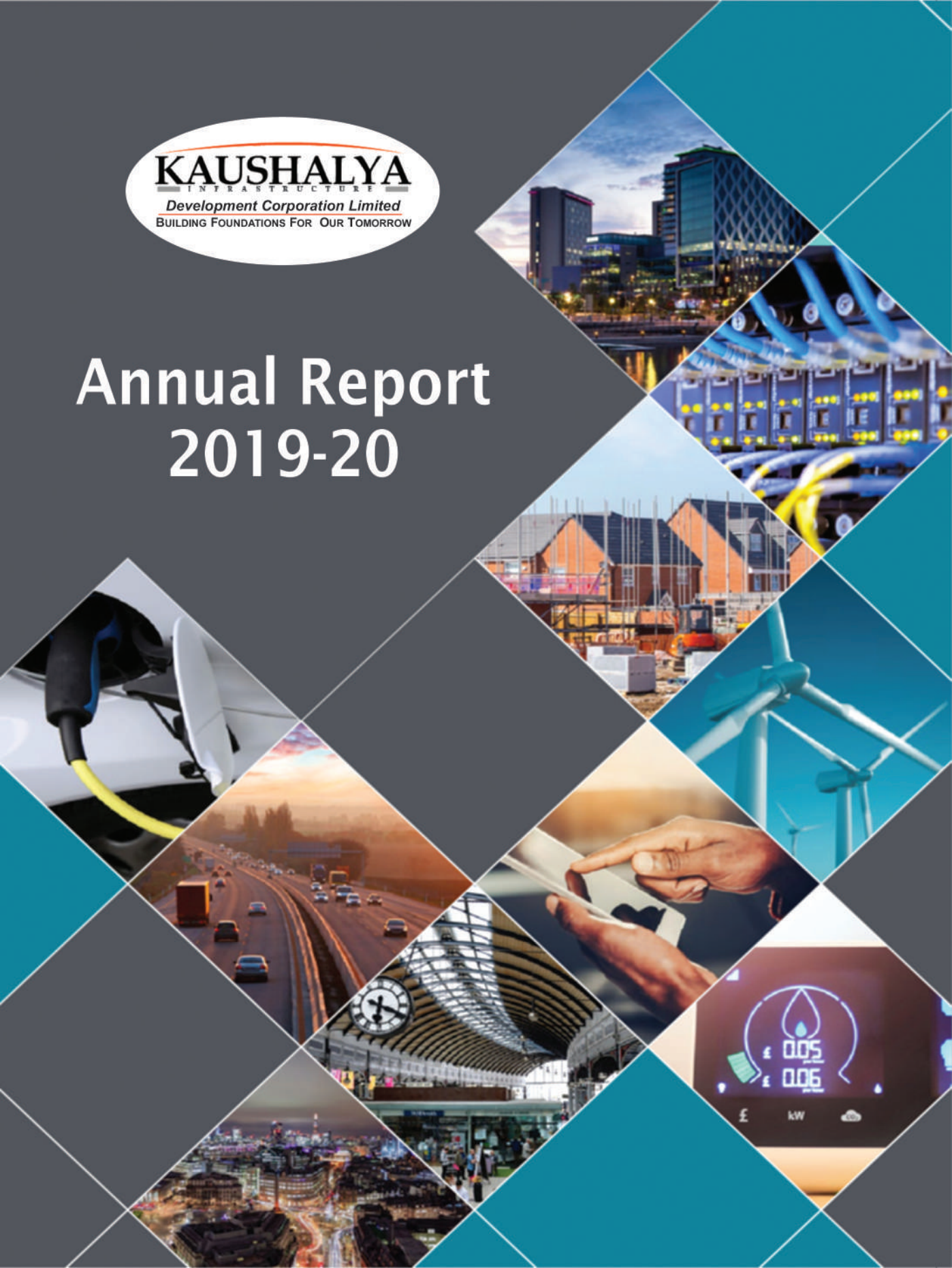


KAUSHALYA
INFRASTRUCTURE

Development Corporation Limited
BUILDING FOUNDATIONS FOR OUR TOMORROW

Annual Report 2019-20



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This Annual Report is available online at www.kaushalya.net

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Mahesh Mehra

Whole-time Director

Mrs. Minoti Nath

Woman Independent Director

Mr. Ram Krishna Mondal

Independent Director

(appointed as on w.e.f. 7th May, 2020)

Mr. Asoke Das

Independent Director

(upto 7th February, 2020)

Mr. Sandip Sarkar

Independent Director

Mr. Tarak Nath Mishra

Chief Financial Officer & Whole-time Director

Mr. Sanjay Lal Gupta

*Company Secretary & Compliance Officer and
Whole-time Director*

REGISTRAR AND SHARE TRANSFER AGENT

C B Management Services (P) Ltd

P-22, Bondel Road, Kolkata-700 019

Tel-91-33-228006692/93/94/2486

Website-www.cbmsl.com

STATUTORY AUDITORS

M/s. Monu Jain & Company

Chartered Accountants

2, Clive Ghar Street, Sagar Estate

Ground Floor, Room No. 2

Kolkata-700 001

Email-camonuj@gmail.com

SECRETARIAL AUDITORS

M/s. B. K. Barik & Associates

Practising Company Secretaries

3A, Garstin Place, 4th Floor,

Kolkata - 700 001

Ph : 98744 11114 / 80170 07180

Email : satyabrata_mika@yahoo.co.in

BANKERS

HDFC Bank

REGISTERED OFFICE

HB-170, Sector-III, Salt Lake

Kolkata-700 106

Tel-91-33-2334-4148

Fax-91-33-2334-4148

Webite-www.kaushalya.net

Email-info@kaushalya.net

NOTICE

Notice is hereby given that the Twenty Eighth (28th) Annual General Meeting (AGM) of the Members of **Kaushalya Infrastructure Development Corporation Limited** (the company) will be held on 28th day of September, 2020 at 02:00P.M. through two-way video conferencing (V.C) / Other Audio Visual Means (OAVM) facility, ("OAVM") in compliance with General Circular numbers 20/2020, 14/2020 and 17/2020 and all other applicable laws and circulars issued by the Ministry of Corporate Affairs (MCA), Government of India and Securities and Exchange Board of India (SEBI), to transact the following businesses. The venue of the meeting shall be deemed to be the registered office of the company at HB-170, Sector-III, Salt Lake, Kolkata – 700 106.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements (including Consolidated Financial Statements) of the Company for the year ended 31st March, 2020, including the Audited Balance Sheet as at 31st March, 2020, the statement of Profit and Loss and Cash Flow Statement for the year ended on that date together with the report of Board of Directors and Auditor's Report thereon.
2. To appoint a Director in place of Mr. Mahesh Mehra (DIN-00086683), Whole-time Director, who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. To appoint M/s. Barkha & Associates, *Chartered Accountants*, (FRN.: 327573E) as Statutory Auditors to fill the casual vacancy and to fix their remuneration.

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 139(8) and other applicable provisions, if any, of the Companies Act, 2013 as amended from time to time or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force), as recommended by the Board of Directors of the company, M/s. Barkha & Associates, *Chartered Accountants* (FRN.: 327573E), be and are hereby appointed as Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s. Monu Jain & Company, *Chartered Accountants* (FRN.:327900E).”

“RESOLVED FURTHER THAT M/s. Barkha & Associates, *Chartered Accountants* (FRN.: 327573E), be and are hereby appointed as Statutory Auditors of the Company from this Annual General Meeting and that they shall hold the office of the Statutory Auditors of the Company from the conclusion of this meeting until the conclusion of the ensuing Annual General Meeting in 2021 and that they shall conduct the Statutory Audit for the period ended 31st March, 2021 on such remuneration as may be fixed by the Board of Directors in consultation with them.”

“RESOLVED FURTHER THAT any of the Board of Directors be and is hereby empowered and authorized to take such steps, in relation to the above and to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution and to file necessary E-Forms with Registrar of Companies.”

4. To appoint Mr. Ram Krishna Mondal (DIN-02065330), as an Independent Director for a term of five years.

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

Notice (contd.)

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any Statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013 and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mr. Ram Krishna Mondal (DIN-02065330), who was appointed as an Additional Director of the Company by the Board of Directors with effect May 7, 2020 under Section 161(1) of the Companies Act, 2013, read with Article 116 of the Articles of Association of the Company and who holds office up to the date of the ensuing Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years up to May 6, 2025.”

5. To appoint Mr. Tarak Nath Mishra (DIN-08845853) as Whole-time Director of the Company and in this regard, 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 Sections 196, 197 and 203 of the Companies Act, 2013 (“Act”) read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) and enactment(s) thereof for the time being in force), the consent of the members be and is hereby accorded for the appointment of Mr. Tarak Nath Mishra (DIN-08845853) as a Whole Time Director of the Company for a period of 5 years, with

effect from August 29, 2020 with the terms and conditions, including remuneration, as set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting and as recommended by Nomination and Remuneration Committee (“Committee”) and approved by the Board, with liberty to the Board of Directors (including Committee) to alter and vary the terms and conditions of the said re-appointment /remuneration in such manner as deemed fit necessary.”

“RESOLVED FURTHER THAT the remuneration payable to Mr. Tarak Nath Mishra (DIN-08845853), shall not exceed the overall ceiling of the total managerial remuneration as provided under section 197 and Schedule V of the Companies Act, 2013 or such other limits as may be prescribed from time to time.”

“RESOLVED FURTHER THAT where in any financial year during his tenure, the Company has no profits or its profits are inadequate, the remuneration payable to Mr. Tarak Nath Mishra (DIN-08845853), Whole Time Director, by way of salary, perquisites and allowances shall not exceed the maximum remuneration payable in accordance with Section II of Part II of Schedule V of the Companies Act, 2013 with liberty to the Board / Committee to decide the breakup of the remuneration from time to time in consultation with the Whole Time Director.”

“RESOLVED FURTHER THAT Mr. Tarak Nath Mishra (DIN-08845853), Whole Time Director be entrusted with such powers and perform such duties as may from time to time be delegated/ entrusted to him subject to the supervision and control of the Board.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such

Notice (contd.)

acts, deeds, matters and things as may be considered necessary, usual or expedient, to give effect to the aforesaid resolution.”

6. To appoint Mr. Sanjay Lal Gupta (DIN-08850306) as Whole-time Director of the Company and in this regard 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 Sections 196, 197 and 203 of the Companies Act, 2013 (“Act”) read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) and enactment(s) thereof for the time being in force), the consent of the members be and is hereby accorded for the appointment of Mr. Sanjay Lal Gupta (DIN-08850306) as a Whole Time Director of the Company for a period of 5 years, with effect from August 29, 2020 with the terms and conditions, including remuneration, as set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting and as recommended by Nomination and Remuneration Committee (“Committee”) and approved by the Board, with liberty to the Board of Directors (including Committee) to alter and vary the terms and conditions of the said re-appointment /remuneration in such manner as deemed fit necessary.”

“RESOLVED FURTHER THAT the remuneration payable to Mr. Sanjay Lal Gupta (DIN-08850306), shall not exceed the overall ceiling of the total managerial remuneration as provided under section 197 and Schedule V of the Companies Act, 2013 or such other limits as may be prescribed from time to time.”

“RESOLVED FURTHER THAT where in any financial year during his tenure, the Company has no profits or its profits are inadequate, the remuneration payable to Mr. Sanjay Lal Gupta (DIN-08850306), Whole Time Director, by way of salary, perquisites and allowances, shall not exceed the maximum remuneration payable in accordance with Section II of Part II of Schedule V of the Companies Act, 2013 with liberty to the Board / Committee to decide the breakup of the remuneration from time to time in consultation with the Whole Time Director.”

“RESOLVED FURTHER THAT Mr. Sanjay Lal Gupta (DIN-08850306), Whole Time Director be entrusted with such powers and perform such duties as may from time to time be delegated/ entrusted to him subject to the supervision and control of the Board.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, usual or expedient, to give effect to the aforesaid resolution.”

By Order of the Board

**Kaushalya Infrastructure Development
Corporation Ltd**

Sanjay Lal Gupta
Company Secretary

ACS: 43560

Dated: August 29, 2020

Registered Office:

HB-170, Sector III, Salt Lake
Kolkata-700106

CIN-L51216WB1992PLC055629

Phone - 033-23344148

Email - info@kaushalya.net

Notice (contd.)

NOTES

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the shareholders at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
 2. Explanatory Statement pursuant to Section 102 of the Act relating to Item no. 3 to 6 of the Notice of the Twenty Eighth AGM, which are considered to be unavoidable by the Board of Directors of the Company, is annexed hereto.
 3. A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote in the meeting instead of himself / herself, and the proxy need not be a member of the Company. However, since this AGM is being held through VC/ OAVM, whereby physical attendance of Shareholders has been dispensed with and in line with the said Circulars read with Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 (“said SEBI Circular”) issued by the Securities and Exchange Board of India (“SEBI”), ***THE FACILITY TO APPOINT A PROXY TO ATTEND AND CAST VOTE FOR THE SHAREHOLDER IS NOT MADE AVAILABLE FOR THIS AGM*** and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, in terms of the provisions of Section 112 and 113 of the Act read with the said Circulars, Corporate Members are entitled to appoint their authorized representatives to attend the AGM through VC/ OAVM on their behalf and participate thereat, including cast votes by electronic means (details of which are provided separately, herein below).
 4. The shareholders can join the AGM in the VC/ OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned herein below in the Notice.
 5. Corporate members are requested to send a duly certified copy of the Board Resolution under section 113 of Companies Act, 2013, authorizing their representative to attend and vote at the AGM.
 6. The attendance of the shareholders attending the AGM through VC/ OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
 7. The shareholders, seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 24th September, 2020, by 4:00 P.M. through email on info@kaushalya.net. The same will be replied by/ on behalf of the Company suitably.
 8. In view of the outbreak of the COVID-19 pandemic, resultant difficulties involved in dispatching of physical copies of the Annual Report and in line with the said Circulars issued by the MCA and said SEBI Circular, the Annual Report including Notice of the AGM of the Company indicating the process and manner of e-voting is being sent only by Email, to all the shareholders whose Email IDs are registered with the Company/ Depository Participant(s) for communication purposes to the shareholders and to all other persons so entitled.
- Further, in terms of the applicable provisions of the Act, SEBI Listing Regulations read with the said Circulars issued by MCA and said SEBI Circular, the Annual Report including Notice of the AGM of the Company will also be available on the website of the Company at www.kaushalya.net under the

Notice (contd.)

sub heading 'Financials' of the heading 'Investor Relationship' for download. The same can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively.

9. The Register of Members and Share Transfer Books of the Company will remain closed from 22nd September, 2020 to 28th September, 2020 (both days inclusive).
10. Shareholders holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's record which will help the Company and the Company's Registrars and Transfer Agent – M/s. C B Management Services Private Limited (herein called the RTA) to provide efficient and better services. Shareholders holding shares in physical form are requested to intimate such changes to RTA.
11. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their de-mat accounts. Members holding shares in physical form can submit their PAN details to the Company/RTA for registration of transmission/ transposition, deletion of name etc.
12. Shareholders holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Shareholders can contact the Company or RTA for assistance in this regard.
13. Shareholders holding shares in physical form, in identical order of names, in more than one folio, are requested to send to the Company or RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such shareholders after making requisite changes.
14. A statement containing details of the Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed.
15. In case of joint holders attending the Annual General Meeting (AGM), the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
16. Relevant documents referred to in the Notice are open for inspection by the members at the registered office of the Company on all working days (i.e. except Saturday, Sunday and Public Holidays) during business hours up to the date of the meeting.
17. To support the 'Green Initiative', members who have not registered their e-mail addresses are requested to register the same with DPs / Company's RTA.
18. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Company has engaged the services of National Securities Depository Limited (NSDL), who will provide the e-voting facility to the Members.
19. The cut-off date for the purpose of remote e-voting and e-voting at the AGM shall be 21st day of September, 2020. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date, i.e. 21st day of September, 2020, shall be entitled to avail the facility of remote e-voting or e-voting at the AGM.

Notice (contd.)

20. Only those shareholders, who will be present at the AGM through VC/ OAVM facility and who would not have cast their vote by remote e-voting prior to the AGM and are otherwise not barred from doing so, shall be eligible to vote through e-voting system at the AGM.
21. The Company has appointed M Shahnawaz & Associates, Practicing Company Secretaries (Membership No. 21427, COP. No. 15076) as the Scrutinizer to scrutinize remote e-voting or e-voting at the AGM in a fair and transparent manner.
22. The voting rights of members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
23. The result of remote e-voting and e-voting at the AGM along with the Scrutinizer's Report shall be placed on the Company's website www.kaushalya.net and on the website of NSDL www.evotingindia.nsdl.com in due course. The Company shall simultaneously forward the results to BSE Limited and National Stock Exchange of India Limited where the shares of the Company are listed. The results shall also be displayed on the notice board at the Registered Office of the Company.

PROCEDURE FOR REMOTE E-VOTING AND E-VOTING DURING THE AGM:

The remote e-voting period begins on 25th September, 2020 at 09:00 A.M. and ends on 27th September, 2020 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.

During this period, shareholders of the Company holding shares as on Cut-off Date may cast their votes electronically. Those Members, who will be present at the AGM through VC/OAVM and 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 e-voting system during the AGM. Instructions and information relating to e-voting are as follows:

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 are mentioned below:

How to Log-in to NSDL e-Voting website?

1. 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.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical

Your User ID is:

- a) For Members who hold shares in demat account with NSDL.

8 Character DP ID followed by 8 Digit Client ID

For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.

- b) For Members who hold shares in demat account with CDSL.

16 Digit Beneficiary ID

Notice (contd.)

For example if your Beneficiary ID is 12***** then your user ID is 12*****

- c) For Members holding shares in Physical Form.

EVEN Number followed by Folio Number registered with the company

For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

- c) How to retrieve your 'initial password'?

(i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on "Forgot User Details/ Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

- b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 are given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify

Notice (contd.)

the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.

6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to csmdshah@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to or contact Mr. Amit Vishal, Senior Manager/ Ms. Pallavi Mhatre, Manager, NSDL, Trade World, ‘A’ Wing, 4th Floor, Kamala Mills Compound, Lower Parel, Mumbai – 400013 at telephone no. 022- 24994360/022 24994545 or at E-mail id evoting@nsdl.co.in.
4. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
5. Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. Monday, the 21st day of September, 2020 may obtain the login ID and password by sending a request at evoting@nsdl.co.in or rta@cbmsl.com
6. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
7. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting or casting vote through e-Voting system during the Meeting.
8. The Scrutinizer shall after the conclusion of e-Voting at the AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-Voting system and shall make a consolidated Scrutinizer’s Report.

Notice (contd.)

EXPLANATORY STATEMENT

Pursuant to Section 102(1) of the Companies Act, 2013

ITEM NO. 3.

M/s. Monu Jain & Company, *Chartered Accountants*, (FRN.:327900E), were re-appointed as Statutory Auditors of the Company for a second consecutive term of five years at the 27th AGM held on September 30, 2019.

However, they have tendered their resignation from the position of Statutory Auditors w.e.f August 29, 2020 resulting into a casual vacancy in the office of Statutory Auditors of the company under the provision of section 139(8) of the Companies Act, 2013 ("Act").

M/s. Monu Jain & Company, the outgoing auditors, have expressed their inability to continue as Statutory Auditors due to over burden of work and pre-occupation in other assignments.

Your Board of Directors proposes to appoint M/s. Barkha & Associates, *Chartered Accountants* (FRN.: 327573E) as the Statutory Auditors of the Company, from the conclusion of this meeting until the conclusion of the ensuing Annual General Meeting in 2021, to fill the casual vacancy caused by the resignation of M/s. Monu Jain & Company, *Chartered Accountants* (FRN.: 327900E) at such remuneration plus applicable taxes, and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and to be approved by the Board of Directors of the Company.

M/s. Barkha & Associates, *Chartered Accountants* (FRN.: 327573E), have conveyed their consent to be appointed as the Statutory Auditors of the Company along with a confirmation that, their appointment, if made by the members, would be within the limits prescribed under the Companies Act, 2013. The Board is of the opinion that the

Firm has the ability to serve its clients in multiple sectors and have expertise to cater to the audit requirements of your Company. Accordingly, the Board recommends passing of the Ordinary Resolution as set out in item no. 3 of this Notice for the approval of members.

None of the Directors, Key Managerial Personnel of the Company, or their relatives, is interested in this Ordinary Resolution.

The Board recommends this Ordinary Resolution for your approval.

ITEM NO. 4

At the Board Meeting of the Company held on May 7, 2020, the Board had, based on the recommendations of the Nomination and Remuneration Committee, appointed Mr. Ram Krishna Mondal (DIN-02065330) as an Additional Director in the capacity of Non-Executive Independent Director with effect from May 7, 2020 under Section 161(1) of the Companies Act, 2013 read with Article 116 of the Articles of Association of the Company.

He holds office up to the ensuing Annual General Meeting of the Company and is eligible for appointment as Independent Director for five consecutive years up to May 6, 2025.

Mr. Mondal is a Director whose period of office is not liable to determination by retirement of Directors by rotation under section 159 of the Companies Act, 2013.

In the opinion of the Board, he fulfills the conditions as specified in the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Companies Act, 2013 and rules made thereunder for appointment as Independent Director.

Notice (contd.)

Copy of the draft letter of appointment setting out the terms and conditions would be available for inspection without any fee at the Registered Office of the Company during normal business hours on any working day or can be availed by writing to the Company through email on info@kaushalya.net

Details regarding Mr. Ram Krishna Mondal (DIN-02065330) and his brief resume is given in the Annexure attached to the Notice. Keeping in view his experience and expertise, the Board of Directors recommends the proposed Ordinary Resolution for approval of the members.

Mr. Ram Krishna Mondal, none of the other Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this Ordinary Resolution.

The Board recommends this Ordinary Resolution for your approval.

ITEM NO. 5

Based on the recommendation of the Nomination and Remuneration Committee in its meeting held on August 29, 2020 and keeping in view of his vast experience and exposure in Finance, the Board of Directors of the Company at its meeting held on August 29, 2020 has appointed Mr. Tarak Nath Mishra as a Whole Time Director for a period of 5 years w.e.f. August 29, 2020, subject to approval of the members of the Company.

Mr. Tarak Nath Mishra (DIN-08845853) aged about 51 years, is a B. Com Graduate from Calcutta University. Presently, he is serving the Company in the capacity of Chief Financial Officer. He has vast experience in the field of finance. He assisted in managing the financial matters of the company. He is having more than 29 years of experiences in the field of finance, personnel and administration, direct and indirect taxes, corporate finance, accounting systems and processes.

The terms and condition of his appointment are as under:

Period: For a period of 5 years w.e.f. August 29, 2020.

Remuneration:

1. Basic Salary: Not Applicable, since he is already serving and drawing salary for the post of Chief Financial Officer

2. Overall Remuneration:

The aggregate of salary, together with perquisites, allowance, benefits and amenities payable to Mr. Tarak Nath Mishra in any financial year shall not exceed the limits prescribed from time to time under section 196, 197 of the Act read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) and enactment(s) thereof for the time being in force);

3. Mr. Tarak Nath Mishra shall not be entitled to any sitting fees for attending meetings of the Board or Committees thereof;

4. The perquisites shall be valued in terms of actual expenditure incurred by the Company and shall be evaluated wherever applicable as per Income Tax Act, 1961 or rules made thereunder and any modification thereof.

The above may be treated as a written memorandum setting out the terms of appointment of Mr. Tarak Nath Mishra under Section 190 of the Act.

Details of Mr. Tarak Nath Mishra are provided in the "Annexure" to the Notice.

Mr. Tarak Nath Mishra is interested in the resolution set out at Item No. 5 of the Notice. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested,

Notice (contd.)

financially or otherwise, in the resolution set out at Item No. 5 of the Notice, except as a member of the Company, if any.

The Board recommends this Ordinary Resolution for your approval.

ITEM NO. 6

Based on the recommendation of the Nomination and Remuneration Committee at its meeting held on August 29, 2020 and keeping in view of his vast experience and expertise, the Board of Directors of the Company at its meeting held on August 29, 2020 has appointed Mr. Sanjay Lal Gupta as a Whole Time Director for a period of 5 years w.e.f. August 29, 2020, subject to approval of the members of the Company.

Mr. Sanjay Lal Gupta (DIN-08850306) aged about 30 years, is Bachelors and Masters in Commerce with specialization in Accounts, Taxation and Corporate Laws, from Calcutta University. He is an Associate Member of the Institute of Company Secretaries of India and has post qualification experience of more than 4 years.

Presently, he is serving the Company as Whole-time Company Secretary. He has vast experience in the field of legal, corporate and secretarial matters. He is also having deep insight in areas of Corporate Laws, Corporate Governance and SEBI related matters.

He is responsible for overall Corporate Secretarial function including compliances, advisory and Corporate Governance.

The terms and condition of his appointment are as under:

Period: For a period of 5 years w.e.f. August 29, 2020.

Remuneration:

1. Basic Salary: Not Applicable, since he is already serving and drawing salary for the post of Company Secretary

2. Overall Remuneration:

The aggregate of salary, together with perquisites, allowance, benefits and amenities payable to Mr. Sanjay Lal Gupta in any financial year shall not exceed the limits prescribed from time to time under section 196, 197 of the Act read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) and enactment(s) thereof for the time being in force);

3. Mr. Sanjay Lal Gupta shall not be entitled to any sitting fees for attending meetings of the Board or Committees thereof;
4. The perquisites shall be valued in terms of actual expenditure incurred by the Company and shall be evaluated wherever applicable as per Income Tax Act, 1961 or rules made thereunder and any modification thereof.

The above may be treated as a written memorandum setting out the terms of appointment of Mr. Sanjay Lal Gupta under Section 190 of the Act.

Details of Mr. Sanjay Lal Gupta are provided in the "Annexure" to the Notice.

Mr. Sanjay Lal Gupta is interested in the resolution set out at Item No. 6 of the Notice. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice, except as a member of the Company, if any.

The Board recommends this Ordinary Resolution for your approval.

Notice (contd.)

**Details of Directors seeking appointment / reappointment at the forthcoming AGM
[In Pursuance of Regulation 36(3) of SEBI (Listing Obligations And Disclosure
Requirements) Regulations, 2015.]**

Particulars	Mr. Ram Krishna Mondal	Mr. Tarak Nath Mishra	Mr. Sanjay Lal Gupta
Date of Birth	October 29, 1950	January 5, 1969	September 15, 1990
Date of 1st Appointment on the Board	May 7, 2020	August 29, 2020	August 29, 2020
Educational Qualification	Degrees in B.Sc. in Chemistry Honors, B. Tech in Chemical Engineering & Chemical Technology, M. Tech in Chemical Technology and also Ph.D in Chemical Technology.	B.Com Graduate from Calcutta University	Company Secretary, Bachelors and Masters in Commerce with specialization in Accounts, Taxation and Corporate Laws.
Expertise in specific functional areas	Mr. Mondal is highly qualified and has more than 42 year of experience in Lab testing. He has conducted many training sessions as trainer all over India has conducted assessment of laboratories in China, Riyadh, Sudan, Jordan, Bangladesh & Sri Lanka.	Mr. Mishra has vast experience in the field of finance. He assisted in managing the financial matters of the company. He is having more than 29 years of experiences in the field of finance, personnel and administration, direct and indirect taxes, corporate finance, accounting systems and processes.	Mr. Gupta has 4 years of post-qualification experience as Company Secretary. He has vast experience in the field of legal, corporate and secretarial matters. He is also having deep insight in areas of Corporate Laws, Corporate Governance and SEBI related matters.
Directorship in other Companies as on March 31, 2020	Aglow Quality Control Laboratory Private Limited	NA	NA
Chairman/ Member in the Committees of the Boards of the Companies as on March 31, 2020	NA	NA	NA
Number of shares held as on March 31, 2020	NA	1500	NA
Inter-se-relation between Directors'	Not Related	Not Related	Not Related

DIRECTORS' REPORT

Dear Shareholders,

The Directors are pleased to present the 28th Annual Report together with the Audited Accounts for the financial year ended March 31, 2020.

Financial Performance

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

(₹ In Lakhs)

Particulars	Standalone				Consolidated			
		31.03.20		31.03.19		31.03.20		31.03.19
Contract Revenue & Other Income		99.52		2,625.28		128.61		2,662.80
Profit before Depreciation, Interest & Tax		(468.54)		1,753.49		(466.42)		1,763.23
Less : Depreciation	42.13		43.59		42.20		43.59	
Interest	69.62	111.75	57.94	101.53	3.36	45.56	0.32	43.91
Profit Before Tax		(580.29)		1,651.96		(511.98)		1,719.32
Less : Provision for Tax								
Current Tax	-		-		17.85		17.64	
Deferred Tax	(33.31)		(600.68)		(29.06)		(608.43)	
Prior Years Tax	-		-		0.01		0.01	
Total Income Tax for Year		(33.31)		(600.68)		(11.20)		(590.78)
Net Profit/(Loss) After Tax		(546.98)		2,252.64		(615.07)		2,249.47
Less : Minority Interest		-		-		24.36		28.03
Add: Share of Profit of Associate		-		-		(114.29)		(60.63)
Net Profit After Minority Interest		-		-		(826.79)		2,251.91
Balance b/f from previous year		(3956.49)		(6,209.13)		(4003.27)		(6,227.15)
Balance available for appropriations		(4503.47)		(3,956.50)		(4,642.69)		(4,003.27)
APPROPRIATIONS								
Transfer to General Reserve		-		-		-		-
Balance Carried to Balance Sheet		(4503.47)		(3,956.50)		(4,642.69)		(4,003.27)

State of Affair & Operations Review

During the year under review on a Standalone basis the Company has registered total income from operation of ₹ 99.52 Lakhs as against ₹ 2,625.28 Lakhs in the previous year. The Company is duly paying its quarterly installments with respect to the restructured loan of Indian Overseas Bank (taken over by Alchemist Asset Reconstruction Company Ltd.- Trust-VII {AARC}) as per terms of the sanction letter. The Company has already paid the settled amount in respect of loan of State Bank of India taken over by AARC and a No Due Certificate was also received from them. The profit/ Loss before depreciation, interest and tax for the year stood to ₹ (468.54) Lakhs as compared to ₹ 1,753.49 Lakhs in previous year. The Profit/ Loss After Tax for the F.Y 2019-20 is ₹ (546.98) Lakhs against previous F.Y ₹ 2,252.64 Lakhs.

Directors' Report (contd.)

On Consolidated basis, during the year under review the Total Income of the Company stood to ₹ 128.61 Lakhs as against ₹ 2,662.80 Lakhs in the previous year. The EBITDA of the Company stood at ₹ (466.42) Lakhs for the F.Y 2019-20 as compared to ₹ 1,763.23 Lakhs in the previous year.

Previous year's numbers include a writeback of loan resulting from settlement of debt of SBI amounting to ₹ 2556.43 Lakhs.

Impact of Covid-19 on the Business of the Company

The COVID-19 pandemic is a global humanitarian and health crisis. The actions taken by various governments to contain the pandemic, such as closing of borders and lockdown restrictions, resulted in significant disruption to people and businesses. Consequently, market demand and supply chains have been affected, significantly increasing the risk of a global economic recession.

The Company's businesses, particularly the hotel segment, are significantly impacted by the pandemic. The hotel has been operational but there is minimal business due to lack of visitors and tourists. This will also have some adverse impact on the revenue and profitability in the current financial year, particularly in the first two quarters.

The Company expects general slowdown of demand as a result of the COVID-19 Pandemic.

Due to COVID the hotel business has seen minimal activity while overhead costs continue to be incurred and this has impacted its profitability. The Company was facing liquidity problems and its revenue and profitability has been impacted. There is also no impact on internal financial controls due to the COVID-19 situation. The management is continuing to ensure effective internal financial controls and reporting. Systems have been established to ensure the validity of the transactions and safeguarding of the assets.

Dividend

The Board does not recommend payment of dividend on equity shares for the year under review.

Change in Nature of Business, if any

The Company operates under two segments:

- i) Construction, and
- ii) Hotel.

During the year under review, there has been no change in the nature of business of the Company.

Material Changes and Commitments after the Balance Sheet Date

The Company is duly paying its quarterly installments with respect to the restructured loan of Indian Overseas Bank to AARC as per agreed terms and conditions contained in the sanction letter.

The Company has received ₹ 739.45 Lakhs with respect to a settlement entered between NHAI and the Company during the second quarter of F.Y. 2020-21 and a portion of the said proceeds was utilized towards part pre-payment of the outstanding restructured debt to the AARC.

The Company has also availed the SabkaVishwas - (Legacy Dispute Resolution) Scheme, 2019 (SVLDRS) to end the pending Service Tax litigations of ₹ 896.85 Lakhs of previous years and has duly made payment of an amount of ₹ 99.55 Lakh in June 2020 in terms of the settlement scheme floated by the Government of India.

Directors' Report (contd.)

There have been no other material changes and commitments, affecting the financial position of the Company which have occurred between the end of the Financial Year of the Company to which the financial statements relate and the date of the report.

Subsidiary Companies & Associate Companies

As on 31st March 2020, the Company's subsidiaries, step down subsidiaries, associates and joint venture are as follows:

Its subsidiaries/step down-subsidiaries:

1. Bengal KDC Housing Development Limited
2. KDC Nirman Limited
3. Kaushalya Energy Private Limited
4. Azur Solar KDC Private Limited(Step down Subsidiary)

Its associates:

1. Orion Abasaan Private Limited
2. Kaushalya Nirman Private Limited
3. Kaushalya Township Private Limited

Its joint venture:

1. KIDCO-NACC

A Policy has been formulated for determining the Material Subsidiaries of the Company pursuant to the Regulation 16(1)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said Policy has been posted on the Company's website at <http://www.kaushalya.net/MATERIAL%20SUBSIDIARY.pdf>

The Company has one material Subsidiary namely Bengal KDC Housing Development Ltd. as on 31st March, 2020.

A statement containing the salient features of the financial statements of each of the subsidiaries & associates in the prescribed format AOC-1 is appended as “**Annexure - I**” to this Report. The statement also provides details of performance and financial positions of the subsidiaries, associates and joint venture.

Consolidated financial statements

In accordance with Section 129(3) of the Companies Act, 2013, the Company has prepared Consolidated Financial Statements of the Company and of all its subsidiaries, associates and joint venture, which is forming part of the Annual Report. As per the provisions of Section 136 of the Companies Act, 2013, separate audited financial statements of its subsidiaries are being placed on its website www.kaushalya.net under the sub-heading “Others” of the heading “Investor Relationship” and copy of separate audited financial statements of its subsidiaries will be provided to the shareholders on request.

Listing of equity shares

The Company's Equity Shares are listed on the BSE Ltd. and National Stock Exchange of India Ltd.

Directors' Report (contd.)

Change in Share Capital

During the year under review, Company's Authorized Share Capital has remained unchanged at ₹ 35,00,00,000 (Rupees Thirty-Five Crores) comprising 3,50,00,000 Equity Shares of ₹ 10/- each.

During the year under review, Company's Paid Up Share Capital has remained unchanged at ₹ 34,63,06,300 (Rupees Thirty-Four Crores Sixty-Three Lakhs Six Thousand Three Hundred) comprising of 3,46,30,630 Equity Shares of ₹ 10/- each.

Transfer to Investor Education and Protection Fund.

During the year under review, there has been no transfer to Investor Education and Protection fund by the Company.

Employee Stock Option Scheme

During the year under review, our Company has not come out with Employee Stock Option Scheme.

Director

Mr. Mahesh Mehra (DIN-00086683), Whole-time Director, is liable to retire by rotation and being eligible offers himself for re-appointment.

The Company has received a letter dated February 7, 2020 from Mr. Asoke Das (DIN-07691831), Independent Director, tendering his resignation from his post due to his bad health.

Mr. Ram Krishna Mondal (DIN-02065330) was appointed as an Additional Director of the Company in the category of Independent Director by the Board in its meeting held on May 7, 2020. He shall hold office up to the date of ensuing Annual General Meeting of the Company and will be eligible for appointment as Independent Director.

Mr. Tarak Nath Mishra (DIN-08845853) and Mr. Sanjay Lal Gupta (DIN-08850306) were appointed as Additional Directors of the Company in the category of Whole Time Director by the Board, in its meeting held on August 29, 2020. They shall hold office up to the date of ensuing Annual General Meeting of the Company and will be eligible for appointment as Whole-time Directors.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Independent Directors of the company have complied with the Code for Independent Directors prescribed in Schedule IV to the Act. Further, as required under section 150(1) of the Companies Act, 2013 they have registered themselves as Independent Directors in the independent director data bank. They shall pass the proficiency self-assessment test in due course in terms of Companies (Appointment and Qualifications of Directors), Rules 2014 (as amended).

Resolution seeking approvals of the members have been incorporated in the notice of the forthcoming Annual General Meeting (AGM). Brief resumes/details relating to Directors who are to be appointed/reappointed are furnished in the notice of the ensuing Annual General Meeting (AGM) as required under the Code of Corporate Governance.

As on 31st March, 2020, Mr. Mahesh Mehra (DIN-00086683), is the Whole-time Director of the Company, Mrs. Minoti Nath (DIN-07017530) is the Woman Independent Director of the Company, Mr. Sandip Sarkar (DIN-07691831) is the Independent Director of the Company.

Key Managerial Personnel

In compliance of the provisions of Section 203 of the Companies Act, 2013, the following persons are the Key Managerial Personnel (KMP) of the Company:

- (a) Mr. Mahesh Mehra, Whole-time Director

Directors' Report (contd.)

(b) Mr. Sanjay Lal Gupta, Whole-time Director and Company Secretary

(c) Mr. Tarak Nath Mishra, Whole-time Director and Chief Financial Officer

Loan/Advances

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the particulars of loans/advances given to subsidiaries have been disclosed in the Annual Accounts of your Company.

Directors' Responsibility Statement

The Board of Directors of the Company acknowledges the responsibility for ensuring compliances with the provisions of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 with the Stock Exchanges in the preparation of the annual accounts for the year ended 31st March, 2020 and state that:

- I. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures; if any
- II. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profits of the Company for that period;
- III. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- IV. The Directors have prepared the annual accounts on a going concern basis;
- V. The Directors have laid down internal financial controls for the Company and such internal financial controls are adequate and operating effectively; and
- VI. There is a proper system to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

Particulars of remuneration of employees

The particulars of remuneration of employees, as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) and 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are given in a separate annexure as “**Annexure II**” attached hereto and forms part of this report.

Fixed Deposits

The Company has not accepted any deposit from the public/ members under Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 during the year.

Number of meetings of the Board

The Board met 4 (Four) times during the financial year, the details are given in the Corporate Governance Report that forms part of the Annual Report.

Audit Committee

The Audit Committee was constituted by the Company and the details of terms of reference of the Audit Committee, numbers and dates of meetings held, attendance, among others are given separately in the attached Corporate Governance Report.

During the year, there were no instances of the Board that had not accepted the recommendations of the Audit Committee.

Directors' Report (contd.)

Whistleblower/Vigil Mechanism Policy

The Company has in place a whistleblower policy to deal with unethical behavior, victimization, fraud and other grievances or concerns, if any. The aforementioned whistleblower policy can be accessed on the Company's website at <http://www.kaushalya.net/VIGIL%20MECHANISM.pdf>

Risk Management Policy

The Company has a defined Risk Management framework to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

The Risk Management Policy provides for identification of risk, its assessment and procedures to minimize risk. The policy is periodically reviewed to ensure that the executive management controls the risk as per decided policy.

Nomination & Remuneration Committee

A Nomination & Remuneration Committee was constituted by the Company and the details of terms of reference, number and dates of meeting held, attendance, among others are given separately in the attached Corporate Governance Report forming part of this Annual Report.

Stakeholders' Relationship Committee

The composition and terms of reference of the Stakeholders' Relationship Committee has been furnished in the Corporate Governance Report forming part of this Annual Report.

Policy on Directors' Appointment and Remuneration

The Policy of the Company on Directors' Appointment and Remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) and (4) of Section 178, is available on the website of the company at http://www.kaushalya.net/KIDCO_NRP.pdf

Board Evaluation

Pursuant to the applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board has carried out an annual evaluation of its own performance, of the individual Directors as well as the working of its Audit, Nomination & Remuneration and Stakeholders' Relationship committees. The manner in which the evaluation has been carried out has been explained in the attached Corporate Governance Report that forms an integral part of this Annual Report.

Inter-corporate loans, guarantees and investments

Details of Loans, Guarantees and Investments covered under the provisions of section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

Related Party Transactions

In line with the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has formulated a Policy on Related Party Transactions which is also available on the Company's website at <http://www.kaushalya.net/KIDCORELATED.pdf>

The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties. All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions on a quarterly basis for transactions which are of repetitive nature and/ or entered in the Ordinary Course of Business and are at Arm's Length. All Related Party Transactions are subjected to independent review by a reputed accounting firm to establish compliance with the requirements of Related Party Transactions under the Companies Act, 2013, and SEBI (Listing

Directors' Report (contd.)

Obligations and Disclosure Requirements) Regulations, 2015. All Related Party Transactions entered during the year were in Ordinary Course of the Business and at Arm's Length basis. No Material Related Party Transactions, i.e. transactions exceeding 10% of the annual consolidated turnover as per the last audited financial statement, were entered during the year by your Company. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013, in Form AOC-2 is not applicable.

Extract of annual return

The details forming part of extract of Annual Return as per Form MGT- 9 is annexed herewith as "Annexure – III".

Significant and material orders passed by the regulator/court/ tribunals etc.

The Company has received the Final order from National Stock Exchange of India Ltd, in the matter of review of suspected shell companies with respect to SEBI's letter no. SEBI/HO/ISD/ISD/OW/P/2017/18183 dt. 07/08/2017 and Ministry of Corporate Affairs (MCA) letter F. No. 03/73/2017-CL-11 dt. 09/06/2017.

SEBI vide letter reference SEBI/HO/ISD/ISD/OW/P/2018/21793/1 dated August 03, 2018 has delegated powers to stock exchanges to pass final directions in terms of their rules, regulations, bye-laws and other statutory powers conferred upon them. NSE has stated in their order dated June 2, 2020 that no material evidences on record relating to misuse of funds, misrepresentation of business or violation of LODR Regulations were found against the Company. They have also stated in their order that Conditional actions issued by SEBI in their letter dated August 07, 2017 w.r.t. the promoters and directors of the Company have been lifted. Further, all the actions/ directions/ orders/ limitations issued by SEBI in their letter dated August 7, 2017 against the company has been revoked.

NSE has also vacated their Interim order dated January 4, 2018.

The Company has several litigations pending with respect to construction contracts with various organizations. The Company has also received several Awards in its favour from Arbitration Tribunals but many of these have also been appealed against or applications for setting aside filed by the respective respondents in various forums and courts of law. The company was able to reach an out of court settlement amounting to Rs. 739.45 lakh during the firstquarter of F.Y. 2020-21 with NHAI with respect to award received by the Company.

Internal Financial Control

The Company has in place adequate internal financial control with reference to the financial statements. During the year, such control was reviewed and no reportable material weakness was observed.

Corporate Governance

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements as set out in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Report on Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms an integral part of this Annual Report.

Management Discussion and Analysis

Management Discussion and Analysis for the year under review, as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges, is presented in a separate section forming part of this Annual Report.

CEO/CFO Certification

As required by the Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the CEO/ CFO certification has been submitted to the Board and a copy thereof is contained elsewhere in this Annual Report.

Directors' Report (contd.)

Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Board of Directors had appointed M/s. B. K. Barik & Associates, *Company Secretaries* as Secretarial Auditor to carry out the Secretarial Audit of the Company for the financial year 2019- 20.

The Report given by them for the said financial year in the prescribed format is annexed to this Report as “**Annexure IV**”. The secretarial audit report does not contain any qualifications, reservation or adverse remarks. The Company has one material unlisted subsidiary incorporated in India, namely Bengal KDC Housing Development Ltd. The Secretarial Audit Report by M/s. B. K. Barik & Associates, Company Secretaries for the financial year 2019-20 of Bengal KDC Housing Development Ltd. in the prescribed format is annexed to the Annual Report of Bengal KDC Housing Development Ltd. for the said financial year.

Auditors & Auditors' Report

M/s. Monu Jain & Company, *Chartered Accountants*, (FRN.:327900E), were re-appointed as Statutory Auditors of the Company for a second consecutive term of five years at the 27th AGM held on September 30, 2019 up to the conclusion of the 32nd AGM. However they have tendered their resignation from the position of Statutory Auditors, resulting into a casual vacancy in the office of Statutory Auditors of the company under the provision of section 139(8) of the Companies Act, 2013 (“Act”).

The Board of Directors of the Company recommends the appointment of M/s. Barkha & Associates, Chartered Accountants (FRN.: 327573E) as the Statutory Auditors of the Company, from the conclusion of this meeting until the conclusion of the ensuing Annual General Meeting in 2021, to fill the casual vacancy caused by the resignation of M/s. Monu Jain & Company, Chartered Accountants, (FRN.:327900E), at such remuneration plus applicable taxes, and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and to be approved by the Board of Directors of the Company.

M/s. Barkha & Associates, *Chartered Accountants* (FRN.: 327573E), have conveyed their consent to be appointed as the Statutory Auditors of the Company along with a confirmation that, their appointment, if made by the members, would be within the limits prescribed under the Companies Act, 2013. The Board recommends the appointment of M/s. Barkha & Associates as the Statutory Auditors in casual vacancy caused by the resignation of M/s. Monu Jain & Company.

Cost Auditors

The cost audit under section 148 of Companies Act, 2013 read with its rule is not applicable for the Company for the financial year ended 31st March, 2020.

CSR Committee

Pursuant to provisions of section 135(1) of Companies Act, 2013 formation of such committee is not applicable to the Company.

Restructuring of Debts

The Debts of the Company pertaining to Indian Overseas Bank and State Bank of India were taken over by Alchemist Asset Reconstruction Company Limited- Trust- VII (AARC) vide their Assignment Agreements with lender banks dated March 24, 2017 and December 29, 2017 respectively. The Company had reached a settlement of its debts with respect to State Bank of India (SBI) and restructured its debts with respect to Indian Overseas Bank (IOB) with AARC. The Company has been able to make the full payment of the settled amount in respect to debts of SBI Account and received no dues certificate dated June 1, 2018.

Directors' Report (contd.)

The Company is paying its regular installments pertaining to loan account of Indian Overseas Bank as per the schedule as stated in the sanction letter. The Company has also prepaid a portion of debt of AARC.

Other Information

The Audit Committee of the Company has reviewed the audited financial statements for the year under review at its meeting held on July 31, 2020 and recommended the same for the approval of the Board of Directors.

Sexual Harassment Policy

The Company has a Policy on Prohibition, Prevention and Redressal of Sexual Harassment of Women at Workplace and matters connected therewith or incidental thereto covering all the aspects as contained under the "The Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013".

Up till date, the Company has not received any complaint under the Policy.

Annexures forming a part of this Directors Report

The Annexures referred to in this report and other information which are required to be disclosed are annexed herewith and forms a part of this report of the Directors:

Annexure	Particulars
I	Details of Subsidiary, Associate and Joint Venture in AOC-1.
II	Particulars of Remuneration of Employees.
III	Extracts of the Annual Return as per Form MGT-9.
IV	Secretarial Audit Report.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Presently, the Company is not engaged in any activity relating to conservation of energy or technology absorption. During the year under review, the Company has no foreign exchange earnings and outgoes.

Appreciation

The Board of Directors wish to thank the Central Government, the Government of West Bengal, the Financial Institutions, its Bankers, Alchemist Asset Reconstruction Company Limited, Shareholders, Customers, Dealers and other Business Associates for the support received from them during the year. The Directors of the Company place on record their sincere appreciation for all employees of the Company for their unstinted commitment and continued contribution to the Company.

For and on behalf of the Board

Mahesh Mehra

DIN : 00086683

Whole-time Director

Dated: August 29, 2020

Registered office:

HB-170, Sector-III, Salt Lake,
Kolkata-700106

CIN-L51216WB1992PLC055629

Annexure to Directors' Report

Annexure I to the Directors' Report

FORM- AOC 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(₹ In Lakhs)

Sl. No	1	2	3	4
Name of the subsidiary	Bengal KDC Housing Dev Ltd (BKHDLD)	KDC Nirman Limited (Formerly known as Bengal Kaushalya Nirman Limited (KNL))	Kaushalya Energy Private Limited (KEPL)	Azur Solar KDC Private Limited (Subsidiary of KEPL)
Reporting period	31st March, 2020	31st March, 2020	31st March, 2020	31st March, 2020
Reporting currency and Exchange rate	INR	INR	INR	INR
Share capital	20.00	20.00	10.00	1.00
Other Equity	103.35	(2.38)	(8.03)	(1.27)
Total assets	1,230.60	19.63	2.91	0.38
Total Liabilities	1,230.60	19.63	2.91	0.38
Investments	2.39	-	0.99	-
Turnover	95.98	1.10	-	-
Profit before taxation	67.79	0.87	(0.19)	(0.16)
Provision for taxation	17.64	(0.37)	0.50	3.54
Profit after taxation	50.15	0.50	(0.69)	(3.70)
Proposed Dividend	NIL	NIL	NIL	NIL
% of shareholding	51%	51%	95.50%	99% (Holding by KEPL)

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations:
 - KDC Nirman Limited
 - Kaushalya Energy Private Limited
 - Azur Solar KDC Private Limited
- Names of subsidiaries which have been liquidated or sold during the year: NONE
- The Reporting date of all subsidiaries is same as that of the Company, that is, 31st March 2020
- The Company does not have any foreign subsidiary.

For and on behalf of Board of Directors

In terms of our report attached.

Maresh Mehra
Whole-time Director

Tarak Nath Mishra
WTD & CFO

Sanjay Lal Gupta
WTD & Company Secretary

Date: August 29, 2020
Place: Kolkata

Annexure to Directors' Report (contd.)

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(₹ In Lakhs)

Sl. No.	1	2	3	4
Name of Associates /Joint Ventures	Orion Abasaan Pvt Ltd (OAPL)	Kaushalya Nirman Pvt Ltd (KNPL)	Kaushalya Township Private Limited (KTPL)	KIDCO NACC
1. Latest Audited Balance Sheet Date	31st March, 2020	31st March, 2020	31st March, 2020	31st March, 2020
2. Shares of Associate/Joint Ventures held by the Company on the year end				
- No.	29000	46000	3,17,533	NA
- Amount of Investment in Associates/ Joint Venture (Amount in Rs)	10.90	19.40	155.08	(93.39)
- Extend of Holding %	48.33%	46.00%	48.72%	90%
3. Description of how there is significant influence	BBased on the percentage of holding over these investees			
4. Reason why the associate/joint venture is not consolidated	NA	NA	NA	NA
5. Networth attributable to Shareholding as per latest audited Balance Sheet	340.37	184.08	827.98	NA
6. Profit / Loss for the year				
i. Considered in Consolidation	--	(9.88)	(104.41)	-
i. Not Considered in Consolidation	(226.64)	(50.31)	(108.62)	-

- Names of associates or joint ventures which are yet to commence operations. None
- Names of associates or joint ventures which have been liquidated or sold during the year. None

For and on behalf of Board of Directors

In terms of our report attached.

Mahesh Mehra
Whole-time Director

Tarak Nath Mishra
WTD & CFO

Sanjay Lal Gupta
WTD & Company Secretary

Date: August 29, 2020
Place: Kolkata

Annexure to Directors' Report (contd.)

Annexure II to the Directors' Report

Particulars of Remuneration of Employees

*As required under Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014*

- (i) The Percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial year 2019 -20, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20 and the comparison of remuneration of each Key Managerial Personnel (KMP)

Sl. No.	Name of the Director/KMP and Designation	Remuneration of Director/ KMP for financial year 2019-20 (₹ in Lakhs)	% Increase in remuneration in the financial year 2019-20	Ratio of remuneration of each Director/ to median remuneration of employees	Comparison of the remuneration of the KMP against the performance of the Company
1	Mahesh Mehra (Whole-time Director)	11.40	NIL	NA	Not comparable since Company was in Los
2	Tarak Nath Misha (Chief Financial Officer)	5.28	NIL	NA	Not comparable since Company was in Loss
3	Sanjay Lal Gupta (Company Secretary)	2.10	NIL	NA	Not comparable since Company was in Loss

Note: for this purpose, Non-Executive Directors are excluded as they received only sitting fees.

- (ii) The median remuneration of employees of the Company is Rs. 2.19 Lakhs.
- (iii) In the financial year, the increase in the median remuneration of employees is NIL.
- (iv) There were 6 permanent employees on the rolls of the Company as on March 31, 2020;
- (v) Relationship between average increase in remuneration and Company performance: Not applicable
- (vi) Comparison of the remuneration of the Key Managerial Personnel(s) against the performance of the Company: - For the financial year 2019- 20, Company was in loss and hence not comparable;
- (vii) (a) Variation in market capitalization of the Company: The market capitalization as on March 31, 2020 was ₹ 1.39 crore (₹ 2.39 crore as on March 31, 2019);
- (b) Price Earnings ratio of the Company was (0.25) as at March 31, 2020 and was 0.106 as at March 31, 2019;
- (c) Percentage increase or decrease in the market quotations of the shares of the Company as compared to the rate at which the Company came out with the last public offer in the year is (99.33) %.
- (viii) Average percentile increase made in the salaries of employees other than the managerial personnel in the financial year i.e. 2019- 20 was NIL whereas the percentile increase in the managerial remuneration for the same financial year was NIL.
- (ix) Comparison of each remuneration of the Key Managerial Personnel(s) against the performance of the Company: Not comparable since the Company was in loss during the current year.
- (x) The key parameter for any variable components of remuneration availed by Directors: Not Applicable
- (xi) The ratio of the remuneration of the highest paid Directors to that of the employees who are not Directors but received remuneration in excess of highest paid Directors during the year: Not Applicable
- (xii) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees

NOTE: Section 197(12) of the Companies Act, 2013 read with rule 5 of sub rule 2 of the (Companies Re-appointment & Remuneration of Managerial Personnel), 2014 not applicable hence no disclosure made here.

Annexure to Directors' Report (contd.)

Annexure III to the Directors' Report

FORM No. MGT 9

Extract of Annual Return

As on the financial year ended on March 31, 2020

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

I. REGISTRATION & OTHER DETAILS

a)	CIN	:	L51216WB1992PLC055629
b)	Registration Date	:	4th June, 1992
c)	Name of the Company	:	Kaushalya Infrastructure Development Corporation Limited
d)	Category/Sub-category	:	Public Company/ Company limited by shares
e)	Address of the Registered office & contact details	:	HB-170, Sector-III, Salt Lake, Kolkata - 700106, Email- info@kaushalya.net, Website-www.kaushalya.net Ph.: 033- 2334 4148, Fax: 033- 2334 4148
f)	Whether listed company	:	Yes
g)	Name, Address & contact details of the Registrar & Transfer Agent, if any	:	CB Management Services (P) Limited. P-22 Bondel Road, Kolkata- 700019 Email-rta@cbmsl.com, Website-www.cbmsl.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Sl. No	Name & Description of main products/ services	NIC Code of the Product/ Services	% to total turnover of the company
1	Construction	9953	—
2	Hotel	9963	100.00

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

SL. NO.	NAME & ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	BENGAL KDC HOUSING DEVELOPMENT LIMITED HB-170, Sector-III, Salt Lake, Kolkata- 700106	U70101WB2006PLC110153	Subsidiary	51.00	2(87)(II)
2	KDC NIRMAN LIMITED (FORMERLY KNOWN AS BENGAL KAUSHALYA NIRMAN LIMITED) HB-170, Sector-III, Salt Lake, Kolkata- 700106	U70100WB2008PLC123501	Subsidiary	51.00	2(87)(II)
3	KAUSHALYA ENERGY PRIVATE LIMITED HB-170, Sector-III, Salt Lake, Kolkata- 700106	U40104WB2008PTC129344	Subsidiary	95.50	2(87)(II)
4	AZUR SOLAR KDC PRIVATE LIMITED HB-170, Sector-III, Salt Lake, Kolkata- 700106	U31908WB2010PTC148514	Subsidiary	99.00	2(87)(II)
5	KAUSHALYA NIRMAN PRIVATE LIMITED 69, Girish Park North, Kolkata- 700006	U70101WB2006PTC111321	Associate	46.00	2(6)

Annexure to Directors' Report (contd.)

SL. NO.	NAME & ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
6	KAUSHALYA TOWNSHIP PRIVATE LIMITED 171/1A, Rash Behari Avenue, Kolkata- 700019	U70109WB2006PTC111320	Associate	48.72	2(6)
7	ORION ABASAAN PRIVATE LIMITED 160, Jamunalal Bajaj Street, Kolkata-700007	U70101WB2006PTC111322	Associate	48.33	2(6)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS % TO TOTAL EQUITY)

(i) Category- wise Share Holding

Category of Shareholder	Number of shares held at the beginning of the year				Number of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
(a) Individual/ HUF	3139624	0	3139624	9.0660	3139624	0	3139624	9.0660	-
(b) Central Government	0	0	0	0	0	0	0	0	-
(c) State Government (s)	0	0	0	0	0	0	0	0	-
(d) Bodies Corporate	14666850	0	14666850	42.3522	14666850	0	14666850	42.3522	-
(e) Banks/FI	0	0	0	0	0	0	0	0	-
(f) Any Other	0	0	0	0	0	0	0	0	-
Sub Total(A)(1)	17806474	0	17806474	51.4183	17806474	0	17806474	51.4183	-
(2) Foreign									
(a) NRIs-Individuals	0	0	0	0	0	0	0	0	-
(b) Other - Individuals	0	0	0	0	0	0	0	0	-
(c) Bodies Corporate	0	0	0	0	0	0	0	0	-
(d) Banks/FI	0	0	0	0	0	0	0	0	-
(e) Any Other	0	0	0	0	0	0	0	0	-
Sub Total (A)(2)	0	0	0	0	0	0	0	0	-
Total Shareholding of Promoter(A)=(A)(1)+(A)(2)	17806474	0	17806474	51.4183	17806474	0	17806474	51.4183	-
B. Public shareholding									
1. Institutions									
(a) Mutual Funds	0	0	0	0	0	0	0	0	-
(b) Banks/FI	0	0	0	0	800	0	800	0.0023	0.0023
(c) Central Government	0	0	0	0	0	0	0	0	-
(d) State Government(s)	0	0	0	0	0	0	0	0	-
(e) Venture Capital Funds	0	0	0	0	0	0	0	0	-
(f) Insurance Companies	0	0	0	0	0	0	0	0	-
(g) FIIs	0	0	0	0	0	0	0	0	-
(h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	-
(i) Other (specify)	0	0	0	0	0	0	0	0	-
Sub-Total (B)(1)	0	0	0	0	800	0	800	0.0023	0.0023

Annexure to Directors' Report (contd.)

Category of Shareholder	Number of shares held at the beginning of the year				Number of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
2. Non-institutions									
(a) Bodies Corporate									
(i) Indian	2776222	0	2776222	8.0167	2646638	0	2646638	7.6425	-0.3742
(ii) Overseas	0	0	0	0	0	0	0	0	-
(b) Individuals									
(i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	9916283	560	9916843	28.6360	9616720	560	9617280	27.7710	-0.8650
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	3831155	0	3831155	11.0629	4235628	0	4235628	12.2309	1.1680
(c) Others (specify)									
(c-i) Non-Resident Individuals	271296	0	271296	0.7834	275273	0	275273	0.7949	0.0115
(c-ii) Clearing Members	28640	0	28640	0.0827	48537	0	48537	0.1402	0.0575
Sub-Total (B)(2)	16823596	560	16824156	48.5817	16822796	560	16823356	48.5794	-0.0023
Total Public Shareholding (B) = (B)(1)+(B)(2)	16823596	560	16824156	48.5817	16823596	560	16824156	48.5817	-
C. Shares held by Custodians for GDRs & ADRs	0	0	0	0	0	0	0	0	-
GRAND TOTAL (A)+(B)+(C)	34630070	560	34630630	100.0000	34630070	560	34630630	100.0000	-

(ii) Shareholdings of Promoters

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year			Shareholding at the end of the year			% change during the year
		No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	
1	Mahanti Engineers Pvt Ltd.	53,07,600	15.33	3.18	53,07,600	15.33	3.18	-
2	Sun Kissed Merchandise Pvt. Ltd.	50,22,900	14.50	0	50,22,900	14.50	0	-
3	Keleenworth Marketing Pvt. Ltd.	43,36,350	12.52	0	43,36,350	12.52	0	-
4	Prashant Mehra	9,17,760	2.65	0.28	9,17,760	2.65	0.28	-
5	Ramesh Kumar Mehra HUF	8,38,000	2.42	0	8,38,000	2.42	0	-
6	Rahul Mehra	3,92,434	1.13	0	3,92,434	1.13	0	-
7	Mohini Mehra	1,54,600	0.45	0	1,54,600	0.45	0	-
8	Pranav Mehra	1,34,410	0.39	0	1,34,410	0.39	0	-
9	Kartik Mehra	1,12,000	0.32	0	1,12,000	0.32	0	-
10	Anuradha Mehra	97,140	0.28	0	97,140	0.28	0	-
11	Neeru Mehra	89,100	0.26	0	89,100	0.26	0	-

Annexure to Directors' Report (contd.)

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year			Shareholding at the end of the year			% change during the year
		No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
12	Ramesh Kumar Mehra-Karta of BaijNath Mehra (HUF)	72,500	0.21	0	72,500	0.21	0	-
13	Raghav Mehra	72,500	0.21	0	72,500	0.21	0	-
14	Karan Mehra	60,740	0.18	0	60,740	0.18	0	-
15	Mahesh Mehra	48,110	0.14	0.14	48,110	0.14	0.14	-
16	Sidh Nath Mehra HUF	44,000	0.13	0	44,000	0.13	0	-
17	Mahesh Mehra HUF	35,000	0.1	0	35,000	0.1	0	-
18	Purnima Mehra	31,320	0.09	0	31,320	0.09	0	-
19	Ramesh Kumar Mehra	30,010	0.09	0.09	30,010	0.09	0.09	-
20	Pooja Mehra	10,000	0.03	0	10,000	0.03	0	-
	Total	1,78,06,474	51.42	3.68	1,78,06,474	51.42	3.68	-

(iii) Change in Promoters' shareholding (Please specify, if there is no change)

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
No Change During the Year					

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Indian Infotech and Software Limited				
	At the beginning of the year (01/04/2019)	15,00,000	4.33	15,00,000	4.33
	At the end of the year (31/03/2020)	-	-	15,00,000	4.33
2	Trilok Advisory Pvt. Ltd.				
	At the beginning of the year (01/04/2019)	8,06,167	2.33	8,06,167	2.33
	At the end of the year (31/03/2020)	-	-	8,06,167	2.33

Annexure to Directors' Report (contd.)

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
3	Kalyan Kumar				
	At the beginning of the year (01/04/2019)	2,01,000	0.58	2,01,000	0.58
	Transfer on 21/02/2020	9,000	0.03	2,10,000	0.61
	Transfer on 06/03/2020	65,844	0.19	2,75,844	0.80
	Transfer on 13/03/2020	1,712	0	2,77,556	0.80
	At the end of the year (31/03/2020)	-	-	2,77,556	0.80
4	Manish Kumar Aggarwal				
	At the beginning of the year (01/04/2019)	1,08,800	0.31	1,08,800	0.31
	Transfer on 03/05/2019	850	0	1,07,950	0.31
	Transfer on 17/01/2020	1,07,950	0.31	-	-
	At the end of the year (31/03/2020)	-	-	-	-
5	Daksha Kotak				
	At the beginning of the year (01/04/2019)	1,04,646	0.3	1,04,646	0.3
	At the end of the year (31/03/2020)	-	-	1,04,646	0.3
6	Bharat R Mehta HUF				
	At the beginning of the year (01/04/2019)	1,01,900	0.29	1,01,900	0.29
	At the end of the year (31/03/2020)	-	-	1,01,900	0.29
7	Bommineni Murali				
	At the beginning of the year (01/04/2019)	1,00,000	0.29	1,00,000	0.29
	At the end of the year (31/03/2020)	-	-	1,00,000	0.29
8	Elenjikkal Poulse Dickson				
	At the beginning of the year (01/04/2019)	1,00,000	0.29	1,00,000	0.29
	At the end of the year (31/03/2020)	-	-	1,00,000	0.29
9	Ajmera Associates Ltd.				
	At the beginning of the year (01/04/2019)	78,248	0.23	78,248	0.23
	At the end of the year (31/03/2020)	-	-	78,248	0.23
10	Priti Saboo				
	At the beginning of the year (01/04/2019)	70,000	0.2	70,000	0.2
	At the end of the year (31/03/2020)	-	-	70,000	0.2

Annexure to Directors' Report (contd.)

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
11	Shri Parasram Holdings Pvt. Ltd.				
	At the beginning of the year (01/04/2019)	65,235	0.19	65,235	0.19
	Transfer on 05/04/2019	95	0	65,330	0.19
	Transfer on 12/04/2019	400	0	64,930	0.19
	Transfer on 19/04/2019	550	0	64,380	0.19
	Transfer on 26/04/2019	3,949	0.01	60,431	0.17
	Transfer on 03/05/2019	1,500	0	61,931	0.18
	Transfer on 10/05/2019	399	0	62,330	0.18
	Transfer on 17/05/2019	13	0	62,317	0.18
	Transfer on 24/05/2019	1,470	0	63,787	0.18
	Transfer on 31/05/2019	1	0	63,788	0.18
	Transfer on 07/06/2019	773	0	63,015	0.18
	Transfer on 14/06/2019	1,715	0	64,730	0.19
	Transfer on 28/06/2019	1,000	0	63,730	0.18
	Transfer on 05/07/2019	3,500	0.01	67,230	0.19
	Transfer on 19/07/2019	1,500	0	65,730	0.19
	Transfer on 02/08/2019	7,000	0.02	72,730	0.21
	Transfer on 09/08/2019	4,653	0.01	77,383	0.22
	Transfer on 16/08/2019	37,850	0.11	1,15,233	0.33
	Transfer on 23/08/2019	1,374	0	1,16,607	0.34
	Transfer on 30/08/2019	2,096	0.01	1,18,703	0.34
	Transfer on 06/09/2019	30	0	1,18,733	0.34
	Transfer on 13/09/2019	82,433	0.24	36,300	0.1
	Transfer on 20/09/2019	859	0	37,159	0.11
	Transfer on 27/09/2019	14,670	0.04	22,489	0.06
	Transfer on 27/09/2019	22,489	0.06	-	-
	At the end of the year (31/03/2019)	-	-	-	-
12	Ranbir Kaur				
	At the beginning of the year (01/04/2019)	25,000	0.07	25,000	0.07
	Transfer on 18/10/2019	2,873	0.01	27,873	0.08
	Transfer on 25/10/2019	1,550	0.00	29,423	0.08
	Transfer on 01/11/2019	40,597	0.12	70,020	0.20
	At the end of the year (31/03/2020)	-	-	70,020	0.20

Annexure to Directors' Report (contd.)

(v) Shareholding of Directors & Key Managerial Personnel

Sl. No	Name of Director and KMP	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
1	Mr. Mahesh Mehra - Whole-time Director				
	At the beginning of the year	48,110	0.14	48,110	0.14
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	No change during the year			
	At the end of the year	48,110	0.14	48,110	0.14
2	Mrs. Minoti Nath - Independent Director	No. of shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	No change during the year			
	At the end of the year	0	0	0	0
3	Mr. Asoke Das - Independent Director (resigned w.e.f. February 7, 2020)	No.of shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	No change during the year			
	At the end of the year	0	0	0	0
4	Mr. Sandip Sarkar - Independent Director (Appointed as on August 14, 2019)	No. of shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	No change during the year			
	At the end of the year	0	0	0	0

Annexure to Directors' Report (contd.)

5	Mr. Ram Krishna Mondal - Independent Director (Appointed as on May 7, 2020)	No. of shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	No change during the year			
	At the end of the year	0	0	0	0
6	Mr. Anil Kumar Agarwal -Independent Director (Mr. Anil Kumar Agarwal passed away and ceased to be an Independent Director w.e.f.April 22, 2019)	No. of shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	No change during the year			
	At the end of the year	0	0	0	0
7	Mr. Tarak Nath Mishra -Whole-time Director and Chief Financial Officer*	No. of shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	1,500	0	1,500	0
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	No change during the year			
	At the end of the year	1,500	0	1,500	0
8	Mr. Sanjay Lal Gupta - Whole-time Director and Company Secretary*	No. of shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	No change during the year			
	At the end of the year	0	0	0	0

*Appointed as Director w.e.f. August 29, 2020.

Annexure to Directors' Report (contd.)

V. INDEBTEDNESS

(₹ In Lakhs)

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	3,146.61	677.17	-	3,823.78
ii) Interest due but not paid	-	60.74	-	60.74
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	3,146.61	737.91	-	3,884.52
Change in Indebtedness during the financial year				
Additions	-	228.57	-	228.57
Reduction	156.55	-	-	156.55
Net Change	(156.55)	228.57	-	72.02
Indebtedness at the end of the financial year				
i) Principal Amount	2,990.06	846.56	-	3,836.62
ii) Interest due but not paid	-	119.92	-	119.92
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	2,990.06	966.48	-	3,956.54

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager:

Sl. No	Particulars of Remuneration	Whole-time Directors			Total Amount
		Mr. Mahesh Mehra	Mr. Tarak Nath Mishra*	Mr. Sanjay Lal Gupta*	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	11.40	-	-	11.40
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock option	0	-	-	0
3	Sweat Equity	0	-	-	0
4	Commission		-	-	
	as % of profit	0	-	-	0
	others (specify)	0	-	-	0
5	Others, please specify	0	-	-	0
	Total (A)	11.40	-	-	11.40

Ceiling as per the Act:- ₹ 42 Lakhs as per section 197(3) of the Companies Act, 2013 read with section II of schedule V.

*The remuneration details of Mr. Mishra, Whole-time Director and Mr. Gupta, Whole-time Director is provided in Part C of this Annexure.

Annexure to Directors' Report (contd.)

B. Remuneration to other directors:

(₹ In Lakhs)

Sl. No	Particulars of Remuneration	Name of Independent Directors					Total Amount
		Mrs. Minoti Nath	Mr. Sandip Sarkar (Appointed as on August 14, 2019)	Mr. Asoke Das (resigned w.e.f. February 7, 2020)	Mr. Anil Kumar Agarwal (ceased to be Director w.e.f April 22, 2019)	Mr. Ram Krishna Mondal (Appointed as on May 7, 2020)	
(a)	Fee for attending board/committee meetings	0.45	0.21	0.29	--	N.A	0.95
(b)	Commission	--	--	--	--	N.A	--
(c)	Others, please specify	--	--	--	--	N.A	--
Total (B)		0.45	0.21	0.29	--	N.A	0.95
Total Managerial Remuneration (A+B)		12.35					
Ceiling as per the Act: - ₹ 1 Lakh per meeting of the board or committee as per section 197(5) of The Companies Act, 2013 read with rule 4 of The Companies (Appointment and Remuneration of Managerial Personnel) rules, 2014.							

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD.

Sl. No.	Particulars of Remuneration	Key Management Personnel		Total Amount
		Company Secretary	CFO	
1	Gross Salary	Mr. Sanjay Lal Gupta	Mr. Tarak Nath Mishra	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	2.10	5.28	7.38
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	--	--	--
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	--	--	--
2	Stock Option	--	--	--
3	Sweat Equity	--	--	--
4	Commission	--	--	--
	as % of profit	--	--	--
	others, specify	--	--	--
5	Others, please specify	--	--	--
	Total	2.10	5.28	7.38

Annexure to Directors' Report (contd.)

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

(₹ In Lakhs)

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD /NCLT/Court]	Appeal made. If any (give details)
A. Company					
Penalty	NIL				
Punishment					
Compounding					
B. Directors					
Penalty	NIL				
Punishment					
Compounding					
C. Other Officers In Default					
Penalty	NIL				
Punishment					
Compounding					

Dated: 29th August, 2020
Registered office:
HB-170, Sector-III
Salt Lake, Kolkata-700106
CIN-L51216WB1992PLC055629

Mahesh Mehra
DIN: 00086683
Whole-time Director

Annexure to Directors' Report (contd.)

Annexure IV to the Directors' Report

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
(For the Financial Year ended 31st March, 2020)

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the
Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To

The Members,

M/s KAUSHALYA INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED
HB-170, SECTOR-3, SALT LAKE,
KOLKATA-700 106

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. KAUSHALYA INFRASTRUCTURE DEVELOPMENT CORPORATION LTD.** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2020 ("the audit period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), whatever applicable & to the extent applicable to the company: -
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018(Not Applicable to the Company during the audit period);
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not Applicable to the Company during the audit period);

Annexure to Directors' Report (contd.)

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable to the Company during the audit period);
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable to the Company during the audit period);
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998, as amended (Not Applicable to the Company during the audit period);
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable regulations / guidelines / circulars issued by SEBI from time to time, to the extent applicable.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards as issued and mandated by the Institute of Company Secretaries of India;
- (ii) The Listing Agreements entered into by the Company with BSE Limited (BSE) & National Stock Exchange of India Limited (NSE).

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

We further report that:

The Board of directors of the Company is duly constituted with proper balance of executive directors, non-executive directors, independent directors and woman director. The changes in composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

Adequate notice is given to all directors to schedule the Board meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions at the Board meetings were carried out unanimously.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the Audit period there were no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

This Report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this Report.

For **B. K. BARIK & ASSOCIATES**

Company Secretaries

B. K. Barik

Practicing Company Secretary

C.P. No. 3897, FCS 5696

UDIN: F005696B000358598

Place: Kolkata

Date: 28.07.2020

Annexure to Directors' Report (contd.)

Annexure "A"

To
The Members
M/s. KAUSHALYA INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED
HB-170, SECTOR-3, SALT LAKE,
KOLKATA-700 106

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the Audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibilities of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **B. K. BARIK & ASSOCIATES**

Company Secretaries

B. K. Barik

Practicing Company Secretary

C.P. No. 3897, FCS 5696

UDIN: F005696B000358598

Place: Kolkata

Date: 28.07.2020

Management Discussion and Analysis Report

INDUSTRY REVIEW

The Indian infrastructure sector is a key driver for the growth of a country. Without proper Infrastructure to serve as a backbone for industrial growth, economic slowdown and recessionary trends would be inevitable.

Particularly, in an era of supply chain disruptions and IT enabled services and new technologies, infrastructure growth must keep pace to act as an enabler for a wider industrial growth paradigm. The Government realizing the importance is rightfully focusing its efforts to introduce policies to ensure time-bound infrastructure development of India. Rationalization of GST regimes, increased focus on smart city infrastructure and other urban development schemes of the government shall help bolster demand and in turn growth going forward.

In December 2019, the government launched the National Infrastructure Pipeline (NIP) aimed at infrastructure development in identified sectors. NIP is targeting both economic and social infrastructure projects, which will create jobs, improve ease of living and provide equitable access to infrastructure for all, thereby making growth more inclusive.

The Government of India has given a massive push to the infrastructure sector by allocating Rs. 1,69,637 crore for the transport infrastructure. The highways sector has been one of the best performing areas of the government, with government expenditure rising from Rs. 34,345.20 crore in FY 15 to Rs. 91,823 crore in FY 21.

It is envisaged that during the FY 20-25, sectors of energy, roads, urban development, and railways would amount to over 71% of the projected infrastructure investments in the country. Out of the total expected capital expenditure of Rs. 111 lakh crore, projects worth Rs. 44 lakh crore are under implementation, projects worth Rs. 33 lakh crore or 30% are at the conceptual stage and projects worth Rs. 22 lakh crore or 20% are under development.

Particularly, in the post COVID-19 era, the government needs to double down on its infrastructure bet as it will serve as a key lever for economic revival. Boosting the construction sector, one of the largest employers in the country as a whole, would both create jobs as well as create a massive support system for revival of other businesses working as an enabler for their growth as well.

BUSINESS STRATEGY

The World Health Organization declared a global pandemic of the Novel Coronavirus disease (COVID-19) on 11th February, 2020 and soon thereafter, the effects of the pandemic were visible in the forms of stringent nationwide lockdowns, stoppage of public and goods transport, shutting down of industries, etc. which is expected to have a continued short to medium term impact on our nation's and the world's economy. The Governments in several countries have imposed similar stringent lockdown in a bid to contain the spread of the COVID-19 virus and this in turn has put several economies into a recessionary phase. With an urgent need to institute social distancing norms and increased requirement for social hygiene, our company has also had to reconfigure how our employees work and how our core business processes are performed in this unprecedented time. Work from home and online interactions and virtual meetings have become the call of the day.

Several of the clients' offices have also been in lockdown and are even now intermittently operating in light of the continued increase in COVID-19 cases. The various litigations that were pending at

Management Discussion and Analysis Report (*contd.*)

various courts of the country have also been further delayed as the functioning of the courts are also curtailed. Bidding for new projects is also challenging as evaluation of project cost at project sites is extremely challenging with mobility restrictions.

In order to help increase liquidity and in an effort to end pending contract litigation, your company has been a proponent of amicable resolution of disputes and during this pandemic situation been able to close one such litigation through virtual conferencing with NHAI.

The hotel segment has also suffered tremendously with tourism taking a severe hit as people's movement has been restricted. Your company is following social distancing, safety and hygiene norms prescribed by the Governments at the hotel premises as well but the footfall of tourists is low due to the COVID-19 fear. However, your company is hopeful that such fears shall allay soon as the economy gears back once the virus cases start to ebb in the coming few months and expects a boost and growth with pent-up demand among tourists who would want to take short getaways from the city. Company is continuing its focus on the hotel segment in Jhargram and plans to undertake renovation and up-gradation of the facilities.

Your Company is hopeful that it would be able to take up new construction sector projects in the near future and also continues to explore new business opportunities. Your Company is participating for new project bids with various Government and Non-Government organizations.

SWOT ANALYSIS

Strength:

The core strength of your Company lies in its experience to manage large civil and electrical construction projects and the hotel business which gives it a huge advantage over its competitors. Your Company has good brand awareness and reputation which would go a long way to boost business strategies and execution capabilities of the Company. Your Company possesses adequate credentials to bid for infrastructure projects. Further, your Company also has adequate land for expansion of the hotel facilities, which provide it with growth opportunities in that segment. Your Company also have highly skilled and talented workforce which gives it an added advantage to achieve its results.

Weaknesses:

The availability of liquidity has been a key weakness for the Company. Several of the projects have continued to be in litigation and several of those litigations that have been awarded in your Company's favor mostly continue in various courts of appeal. This has resulted in continued liquidity stress, which the Company is working actively to solve by exploring out of court settlements on various litigated awards instead of protracted litigation at various forums and courts of appeals and has recently been successful in one such out of court settlement.

The recent slowdown in the economy due to the COVID pandemic may also impact the company's financials in the near term. Further, the ageing equipment fleet requires an overhaul and several of them are tied up in litigation which your Company is actively trying to resolve.

Opportunities:

The post COVID-19 economic revival efforts that are expected from the government shall provide new business opportunities for the company. With the bank issues settled/restructured, your Company is now in a position to regroup its resources and focus on business growth of both the hotel and

Management Discussion and Analysis Report (*contd.*)

the construction business segments. The infrastructure sector is receiving continued focus from the government and as a result, the industry is expected to grow and with the Company's strength and experience in this field, your Company feels that it would be effectively able to convert such opportunities into profitable project ventures. Your Company possesses adequate credentials to bid for infrastructure projects and discussion are underway for new projects in order to put the Company back on a growth path.

Threats

Attractive growth opportunities exist in the infrastructure sector, especially with the government being expected to go full throttle on infrastructure development in the post COVID-19 period. This may increase the number of players operating in the industry. However, your Company is confident about retaining its competitive edge, backed by its industry-leading experience in the sector.

Sudden changes in the government policies or apathy of the banking sector towards funding infrastructure or real estate projects continues to be a threat. Mounting prices of key raw materials could also pose as material threat towards growth. Your Company actively manages the threat of raw material price rises by factoring such contingencies in the price bids as best as possible.

With the Reserve Bank of India and the Government focused on increasing infrastructure lending and spending, the threat of negative policy changes is somewhat mitigated.

At a Company level, the threat of overturning litigation awards in favor of respondents whose counter claims had been rejected earlier, adverse tax litigation orders and prolonged appeals process which would keep liquidity locked in; pose as a continued threat. To mitigate the same, your Company is trying to enter into amicable out of court settlement for several such litigations while keeping highly skilled legal professionals engaged to handle the various cases.

Discussion on Financial Performance of the Company

Revenue

For the financial year ended 31st March, 2020, your Company's revenue stood at Rs. 99.52 Lakhs as against Rs. 2625.28 Lakhs in the previous year. Previous year's numbers include a writeback of loan resulting from settlement of debt of SBI amounting to Rs. 2556.43 Lakhs.

Expenditure

Your Company's total expenditure comprising of contract & site expenses, employee benefit cost, depreciation, material consumed including other expenses was Rs. 679.81 Lakhs for year ended 31st March, 2020 as compared to Rs. 973.32 Lakhs in the previous year.

Interest

Interest expenses stood at Rs. 69.62 Lakhs and the previous year's figure was Rs. 57.94 Lakhs.

Profit before Tax (PBT)

PBT was Rs. (580.29) Lakhs for the current year as compared to Rs. 1,651.96 Lakhs in the previous year. Previous year's numbers include a writeback of loan resulting from settlement of debt of SBI amounting to Rs. 2556.43 Lakhs.

Profit after tax

Your Company's profit after tax was Rs. (546.98) Lakhs for the year ended March 31, 2020 from

Management Discussion and Analysis Report (*contd.*)

Rs. 2,252.64 Lakhs in the previous year. Previous year's numbers include a writeback of loan resulting from settlement of debt of SBI amounting to Rs. 2556.43 Lakhs.

EPS

The earnings per share for the current year stood at Rs. (1.58) as compared to Rs. 6.50 per equity share in the previous year.

Consolidated Financial Statements

The Consolidated Financial Statements of the Company are prepared in accordance with the relevant Indian Accounting Standards issued by the Institute of Chartered Accountants of India and forms an integral part of this Report.

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of Subsidiaries/ Associate Companies/Joint Venture is given in Form AOC-1 and forms an integral part of this Report as **Annexure-I**.

The results of the Company are consolidated with subsidiaries, step down subsidiary and associates & JV. These Companies operate into two segments (i) broadly in Construction including roads, bridges and infrastructure development, housing development, renewable energy projects and (ii) Hotel.

Human Resources

Human resources development and retention of key employees continues to be one of the core focus area for your Company. Your company encourages an open work culture and cross team collaboration through effective communication. Your Company believes in fair and equitable treatment of its employees and continues to invest in their welfare. Your company is committed to providing all its employees with a healthy and safe work environment.

Your company also encourages its employees to undertake skill enhancement training programmes and to participate in the seminars organized by the external agencies related to the areas of their operations to keep honing their skills.

Cautionary Statement

Statements in these reports describing company's projections statements, expectations and hopes are forward looking. Although the Company believes the assumptions upon which these forward-looking statements and projections are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements and projections based on these assumptions might differ.

The Company and their respective affiliates/advisors do not have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements and projections and not to regard such statements to be a guarantee or assurance of the Company's future performance or returns to investors.

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 of Companies Act, 2013 and Rule 5 Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed with Board Report.

Report on Corporate Governance

[Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Good Corporate Governance practices are a sine qua non for sustainable business that aims at generating long term value to all its stakeholders.

At Kaushalya, Corporate Governance is about upholding the highest standards of integrity, transparency and accountability. We maximize shareholder value while safeguarding and promoting the interests of other stakeholders and maintaining a steadfast commitment to ethics and code of conduct. We believe that retaining and enhancing stakeholder trust is essential for sustained corporate growth. We have tried to blend growth and efficiency with governance and ethics. Our Board of Directors, guided by the mission statement, formulate strategies and policies having focus on optimizing value for various stakeholders like consumers, shareholders and the society at large.

For us, adherence to Corporate Governance stems not only from the letter of law but also from our inherent belief in doing business the right way. We aim at providing complete transparency in our operations.

2. CORPORATE GOVERNANCE GUIDELINES

The Company believes that strong governance standards and guidelines, focusing on fairness, transparency, accountability and responsibility are vital, not only for the healthy and vibrant corporate sector growth, but also for inclusive growth of the economy.

The Board has adopted the Company's Guidelines to ensure that the Board will have the necessary authority and processes in place to review and evaluate the Company's operations. This helps the management fulfill its corporate governance responsibility towards stakeholders. These guidelines further allow the Board to make decisions that are independent of the Management. The Company gives high priority to core value and ethics and believes that all its operations and actions must be directed towards overall shareholder value.

3. BOARD OF DIRECTORS

At the helm of the Kaushalya, Corporate Governance practice is its Board. The Board provides strategic direction to the company's senior management and oversees the interests of all stakeholders. It reviews corporate policies, overall performance, accounting and reporting standards and other significant areas of management, corporate governance and regulatory compliance. Kaushalya's Board consists of eminent individuals with diverse experience and expertise.

We believe that an active, well-informed and independent Board is necessary to ensure the highest standards of corporate governance.

The composition of Board of directors of our company is an appropriate combination of Executive and Non-executive Directors with right element of independence.

The Company ensures that the composition of the Board and Committees are in compliance with the Regulation 17 to Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Report on Corporate Governance (*contd.*)

All the Independent Directors satisfy the conditions as prescribed under Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Section 149 of the Companies Act, 2013.

As on date, the Board consists of four (6) Directors. Half of the Board consists of Non-Executive Independent Directors.

All Six of our Board members are resident in India. The Board periodically evaluates the need for change in its composition and size.

None of the Directors of the Company is related to each other and with any employees of the Company. Necessary disclosures with regard to membership of committees have been made by the Directors.

The composition of the Board as on 31st March, 2020 was as under:

Name of Directors	Business relationship	DIN	Category of Directorship	No. of Directorships in other Public Limited Companies#	No. of Committee positions held in other Public Companies as ##	
					Chairman	Member
Mr. Mahesh Mehra	Whole-time Director	00086683	Promoter Non-Independent Executive	0	–	–
Mrs. Minoti Nath	Director	07017530	Independent Non- Executive	1	–	1
Mr. Asoke Das*	Director	07691831	Independent Non-Executive	1	1	–
Mr. Sandip Sarkar\$	Director	08527653	Independent Non- Executive	–	–	–
Mr. Ram Krishna Mondal@	Additional Director	02065330	Independent Non- Executive	–	–	–
Mr. Anil Kumar Agarwal**	Director	06844213	Independent Non- Executive	–	–	–
Mr. Tarak Nath Mishra ^	Additional Director	08845853	Non-Independent Executive	–	–	–
Mr. Sanjay Lal Gupta &	Additional Director	08850306	Non-Independent Executive	–	–	–

NOTES:

Other Directorship, other than Kaushalya Infrastructure Development Corporation Limited and does not include alternate Directorship, Directorship of private Companies, Section 8 Companies and of other Companies incorporated outside India.

Includes the Membership/Chairmanship of only Audit Committee and Stakeholders Relationship Committee.

In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per section 2(77) of Companies Act, 2013 read with rule 2014, none of the Directors are in any way related to any other Director.

Report on Corporate Governance (*contd.*)

\$ Mr. Sandip Sarkar was appointed as Director in the category of Independent Director of the Company w.e.f. August 14, 2019.

* Mr. Asoke Das resigned and ceased to be an Independent Director of the Company w.e.f. February 7, 2020.

@ Mr. Ram Krishna Mondal was appointed as an Additional Director in the category of Independent Director of the Company w.e.f. May 7, 2020.

** Mr. Anil Kumar Agarwal passed away on April 22, 2019 and ceased from Directorship of the Company.

^ Mr. Tarak Nath Mishra was appointed as an Additional Director in the category of Whole-time Director of the Company w.e.f. August 29, 2020.

& Mr. Sanjay Lal Guptawas appointed as an Additional Director in the category of Whole-time Director of the Company w.e.f. August 29, 2020.

The Company has conducted familiarization programme for the Independent Directors of the Company. The details of familiarization programme are disseminated on the website of the Company at <http://www.kaushalya.net/INDEPENDENTDIRECTORS.pdf>

During the year 2019-20, 4 (Four) Board Meetings were held. The Company held at least one Board Meeting in every quarter and the time gap between two Board meetings did not exceed 120 days as prescribed under Regulation 17(2) of SEBI (Listing Obligations and Disclosure Requirements), Regulation, 2015 and the Companies Act, 2013.

The previous Annual General Meeting of the Company was held on September 30, 2019.

No. of Board Meetings, attendance at Board Meetings & previous Annual General Meeting:

Name of Directors	Attendance at the Board Meetings held on				Attendance at the AGM held on 30.09.2019
	30.05.2019	14.08.2019	14.11.2019	14.02.2020	
Mr. Mahesh Mehra	Yes	Yes	Yes	Yes	Yes
Mrs. Minoti Nath	Yes	Yes	Yes	Yes	Yes
Mr. Asoke Das ^{\$}	Yes	Yes	Yes	NA	Yes
Mr. Sandip Sarkar [#]	NA	NA	Yes	Yes	Yes
Mr. Ram Krishna Mondal [@]	NA	NA	NA	NA	NA
Mr. Anil Kumar Agarwal ^{**}	NA	NA	NA	NA	NA
Mr. Tarak Nath Mishra [^]	NA	NA	NA	NA	NA
Mr. Sanjay Lal Gupta ^{&}	NA	NA	NA	NA	NA

NOTES:

Mr. Sandip Sarkar was appointed as Director in the category of Independent Director of the Company w.e.f. August 14, 2019.

Report on Corporate Governance (*contd.*)

- § Mr. Asoke Das resigned and ceased to be an Independent Director of the Company w.e.f. February 7, 2020.
- @ Mr. Ram Krishna Mondal was appointed as an Additional Director in the category of Independent Director of the Company w.e.f. May 7, 2020.
- ** Mr. Anil Kumar Agarwal passed away on April 22, 2019 and ceased from Directorship of the Company.
- ^ Mr. Tarak Nath Mishra was appointed as an Additional Director in the category of Whole-time Director of the Company w.e.f. August 29, 2020.
- & Mr. Sanjay Lal Gupta was appointed as an Additional Director in the category of Whole-time Director of the Company w.e.f. August 29, 2020.

4. BOARD COMMITTEES

In compliance with the requirements under Regulation 18 to Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable laws, your Company's Board of Directors constituted the following Committees:

- i) Audit Committee
- ii) Nomination & Remuneration Committee
- iii) Stakeholders Relationship Committee

The Chairman of the Board, in consultation with the Company Secretary and the respective Chairman of these Committees, determines the frequency of the meetings of these Committees. The recommendations of the Committees are submitted to the Board for its approval.

i. Audit Committee

Audit Committee consist of 3 Directors out of which 2 are Independent Directors, according to the definition laid down in section 149 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Audit Committee acts as a link between the statutory and internal auditors and the Board of Directors. It assists the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities. Majority of the Members on the Committee, including the Chairman are Independent Directors. The Committee is governed by a Charter that is in line with the regulatory requirements mandated by the Act and SEBI Regulations.

The terms of reference of Audit Committee are:

- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

Report on Corporate Governance (*contd.*)

- Review and monitor the auditor's independence and performance, and effectiveness of the audit process;
- Examination of the financial statement and the auditors' report thereon;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever necessary;
- Evaluation of internal financial controls and risk management systems;
- Monitoring the end use of funds raised through public offers and related matters;
- Monitoring the end use of funds raised through public offers and related matters;
- To perform such other functions as may be necessary under any statutory or other regulatory requirements to be performed by the Committee and as delegated by the Board from time to time.

In this context, the committee discussed the overall scope and plans for the independent audit with the Company's Auditors. The Management shared the Company's financial statements prepared in accordance with the applicable Accounting Standards IND AS. The committee discussed with the Auditors, in the absence of the Management (whenever necessary), regarding the Company's audited financial statements, including the Auditors' judgment about the quality, not just the applicability, of the accounting principles, the rationality of significant judgment and the clarity of disclosures in the financial statements.

Relying on the review and discussions conducted with the Management and the Independent Auditors, the committee believes that the Company's financial statements are fairly presented in conformity with the applicable Accounting Standards IND AS.

The committee has also reviewed the internal control over financial reporting put in place to ensure that the accounts of the Company are properly maintained and that the accounting transactions are in accordance with prevailing laws and regulations. In conducting such reviews, the committee found no material discrepancy or weakness in the Company's internal control over financial reporting.

The committee also reviewed the financial policies of the Company and expressed its satisfaction with the same.

Based on the committee's discussion with the Auditors, its review of the representations of the Management and the report of the Auditors, the committee has recommended the following to the Board:

- The Audited Financial Statements of Kaushalya Infrastructure Development Corporation Limited for the year ended March 31, 2020 is prepared in accordance with the applicable

Report on Corporate Governance (*contd.*)

Accounting Standards, be accepted by the Board as a true and fair statement of the financial status of the Company.

- The Audited Consolidated Financial Statements of Kaushalya Infrastructure Development Corporation Limited and its Subsidiaries for the year ended March 31, 2020 is prepared in accordance with the applicable Accounting Standards, be accepted by the Board as a true and fair statement of the financial status of the Group.
- The Audited Consolidated Financial Statements prepared in Indian Rupee of Kaushalya Infrastructure Development Corporation Limited and its subsidiaries for the year ended March 31, 2020, be accepted by the Board as a true and fair statement of the financial status of the Group.
- M/s. Barkha & Associates, Chartered Accountants (FRN.: 327573E), have conveyed their consent to be appointed as the Statutory Auditors of the Company in casual vacancy caused by the resignation of M/s. Monu Jain & Company. The Board has recommended the appointment of M/s. Barkha & Associates as the Statutory Auditors to the Shareholders in casual vacancy caused by the resignation of M/s. Monu Jain & Company.
- The appointment of M/s. B. K. Barik & Associates, Practicing Company Secretaries as Secretarial Auditor for the year ending March 31, 2020 to conduct the Secretarial Audit as prescribed under Section 204 and other applicable sections of the Companies Act, 2013.

The Company has established a mechanism for Directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of our Code of Conduct and Ethics. It also provides for adequate safeguards against the victimization of employees who avails the mechanism, and allows direct access to the Chairperson of the audit Committee in exceptional cases. We further affirm that no Director or employee has been denied access to the Audit Committee during the Financial Year 2019- 2020. The Whistleblower Policy is available on Company's website at <http://www.kaushalya.net/VIGIL%20MECHANISM.pdf>

Composition, Meeting and Attendance

During the year ended 31st March, 2020, 4 (Four) Audit Committee meetings were held on May 30, 2019, August 14, 2019, November 14, 2019 and February 14, 2020. The composition and attendance of the members of the Audit Committee are as follows:

Sl. No.	Name of the Member	Position	No. of Meetings	
			Held	Attended
1	Mrs. Minoti Nath	Chairman, Independent, Non-Executive	4	4
2	Mr. Mahesh Mehra	Member, Promoter, Executive	4	4
3	Mr. Asoke Das@	Member, Independent, Non-Executive	3	3
4	Mr. Sandip Sarkar#	Member, Independent, Non-Executive	1	1

@ Mr. Asoke Das resigned and ceased to be the member of Audit Committee w.e.f February 7, 2020

Mr. Sandip Sarkar was appointed as member of Audit Committee w.e.f February 14, 2020.

The Company Secretary acts as a Secretary to the Audit Committee.

Report on Corporate Governance (*contd.*)

ii. Nomination and Remuneration Committee

The terms of reference of the Committee are in line with the requirements of the Act and Regulation 19 read with Part D of Schedule II to the Listing Regulations. The terms of reference of the Committee include:

1. Formulation of the remuneration policy, for the Directors, Key Managerial Personnel and other employees
2. Formulation of criteria for evaluation of Independent Directors and the Board
3. Devising a policy on Board diversity
4. Identifying persons for Board and senior management positions

During the year ended 31st March, 2020, only one meeting of Nomination and Remuneration Committee was held on August 14, 2019. The composition of Nomination and Remuneration Committee are as follows:

Sl. No.	Name of the Member	Position	No. of Meetings	
			Held	Attended
1	Mrs. Minoti Nath	Member, Independent, Non-Executive	1	1
2	Mr. Asoke Das*	Member, Independent, Non-Executive	1	1
3	Mr. Sandip Sarkar\$	Member, Independent, Non-Executive	NA	NA
4	Mr. Ram Krishna Mondal@	Chairman, Independent, Non-Executive	NA	NA
5	Late Anil Kumar Agarwal**	Member, Independent, Non-Executive	NA	NA

* Mr. Asoke Das resigned and ceased to be the member of Nomination and Remuneration Committee w.e.f. February 7, 2020

\$ Mr. Sandip Sarkar was appointed as member of Nomination and Remuneration Committee w.e.f. August 14, 2019.

@ Mr. Ram Krishna Mondal was appointed as Chairman of Nomination and Remuneration Committee w.e.f. May 7, 2020.

** Mr. Anil Kumar Agarwal passed away on April 22, 2019 and ceased from membership of the committee.

The Company Secretary acts as a Secretary to the Nomination & Remuneration Committee.

Terms of Reference of the Committee, inter alia, includes the following:

- Determine the criteria for appointment including qualifications, positive attributes and independence of Director;

Report on Corporate Governance (*contd.*)

- Identify candidates who are qualified to become Directors and who may be appointed in senior management and recommend to the Board their appointment and removal
- Recommend to the Board policy concerning the remuneration for the Directors, Key Managerial Personnel and other employees;
- Evaluate the performance of each Director and performance of the Board as a whole;
- Carrying out any other function contained in the Listing Agreement/Listing Regulations, as amended from time to time; and
- To perform such other functions as may be necessary under any statutory or other regulatory requirements to be performed by the Committee and as delegated by the Board from time to time.

General

- a) The Committee shall ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company
- b) Moreover, it shall also ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- c) Remuneration for Directors, Key Managerial Personnel and Senior Management should involve a balance between fixed and variable pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goal.
- d) The remuneration payable to the Directors of a Company including Managing Director/ Whole-time Director shall be recommended by the Committee to the Board for approval of such payment of remuneration including Commission, if any, shall be in accordance with and subject to the provisions of the Act and approval of the Members of the Company and Central Government, wherever required, as per the provisions of the Act.
- e) In respect of Key Managerial Personnel, the Remuneration as approved by the Board of Directors shall be payable to such Key Managerial Personnel. The annual increment to the KMP and Senior Management shall be based on the annual appraisal and shall be determined by the Chairman.
- f) Professional indemnity and liability insurance for Directors, KMP and Senior Management not to be treated as remuneration. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

Remuneration to Managing Director/Whole-time Director:

The remuneration to the Managing Director/ Whole-time Director will be governed as per the Provisions of the Companies Act, 2013 and the Rules framed thereunder from time to time.

Remuneration to Non- Executive & Independent Directors:

- a) The remuneration payable to Directors who are neither Managing Director nor Whole-time Directors will be governed as per the provisions of the Companies Act, 2013 and the Rules framed thereunder from time to time.

Report on Corporate Governance (*contd.*)

b) Sitting Fees:

These Directors may receive remuneration by way of fees for attending meetings of the Board or any Committee thereof. Provided that the amount of such fees shall not exceed Rs. 1 Lac (One Lac) per meeting of the Board or committee meeting of the Board or such amount as may be prescribed by the Central Government from time to time.

c) Remuneration:

Remuneration may be paid by way of commission within the monetary limit approved by Members, subject to the limit as per the applicable provisions of the Companies Act, 2013. Independent Directors shall not be entitled to any stock options of the Company under the Companies Act, 2013.

Remuneration to KMP and Senior Management employees:

The remuneration, as approved by the Board of Directors, payable to KMP and Senior Management shall be based on the annual appraisal basis.

Review – The Nomination & Remuneration Committee shall review the Remuneration Policy and shall recommend to the Board amendments to these guidelines as it deems appropriate.

The Non-executive Directors are remunerated by way of sitting fees of Rs. 5,000/- for attending each Board of Directors meeting, Rs. 3,500/- for attending each Committee meeting and Independent Directors are remunerated for separate meeting of Independent Directors. The Company pays remuneration by way of salary to its Whole Time Director. The remuneration paid is within the limit specified under the Companies Act, 2013 read with its Rule & Schedule V and approved by the Board as well as by the shareholders of the Company.

Sl. No.	Name of Directors	Category	Sitting fees (Rs.)		No. of shares held as on 31st March, 2020
			Board Meeting	Committee Meeting/ Separate Meeting of Independent Directors	
1	Mrs. Minoti Nath	Non-Executive, Independent	20,000	24,500	NIL
2	Mr. Asoke Das*	Non-Executive, Independent	15,000	14,000	NIL
3	Mr. Sandip Sarkar\$	Non-Executive, Independent	10,000	10,500	NIL
4	Mr. Ram Krishna Mondal@	Non-Executive, Independent	NA	NA	NA
5	Anil Kumar Agarwal**	Non-Executive, Independent	NA	NA	NA

The details of sitting fees for the Financial Year 2019- 20 paid to the Non-Executive Directors & their shareholding in the Company are as under;

Report on Corporate Governance (*contd.*)

- § Mr. Sandip Sarkar was appointed as Independent Director w.e.f. August 14, 2019.
- * Mr. Asoke Das resigned and ceased to be an Independent Director of the Company w.e.f. February 7, 2020.
- @ Mr. Ram Krishna Mondal was appointed as an Additional Director in the category of Independent Director of the Company w.e.f. May 7, 2020.
- ** Mr. Anil Kumar Agarwal passed away on April 22, 2019 and ceased from Directorship of the Company.

Remuneration/Sitting Fees paid to Executive Director of the Company during the Financial Year ended March 31, 2020 are detailed as under:

Executive Directors:

Name of Director	Salary & Perquisites (₹)	Commission	Sitting Fees	Total	Period of Contract		Notice Period	No. of Shares held as on 31.03.2020
					From	To		
Mr. Mahesh Mehra	11,40,000/-	—	—	11,40,000/-	04.09.2017	03.09.2022	2 Months	48110
Mr. Tarak Nath Mishra*	—	—	—	—	—	—	—	—
Mr. Sanjay Lal Gupta*	—	—	—	—	—	—	—	—

- * The remuneration details of Mr. Mishra and Mr. Gupta, Whole-time Directors, is provided in Part C of MGT-9.

iii. Stakeholders Relationship Committee

The Stakeholders Relationship Committee considers and resolves the grievances of security holders of the Company.

Other terms of reference of the committee are:

- Resolving the grievances of security holders of the Company including Investors' complaints;
- Approval of transfer or transmission of shares, debentures or any other securities;
- Issue of duplicate certificates and new certificates on split/consolidation/renewal etc.;
- Redress the complaints regarding non-receipt of declared dividends, Annual Reports of the Company, dematerialization, re-materialization etc.;
- Carrying out any other function contained in the Listing Agreement/Listing Regulations, as amended from time to time; and
- To perform such other functions as may be necessary under any statutory or other regulatory requirements to be performed by the Committee and as delegated by the Board from time to time.

Report on Corporate Governance (contd.)

During the year ended 31st March, 2020, only one meeting of Stakeholders' Relationship Committee was held on February 14, 2020. The composition and attendance of the members of the Stakeholders Relationship Committee are as follows:

The Stakeholders Relationship Committee consists of the following Members:

Name of Members	Category	No. of Meeting	
		Held	Attended
Mrs. Minoti Nath	Chairman, Non-Executive, Independent	1	1
Mr. Mahesh Mehra	Member, Executive	1	1
Mr. Asoke Das@	Member, Non-Executive, Independent	NA	NA
Mr. Sandip Sarkar#	Member, Non-Executive, Independent	1	1

@ Mr. Asoke Das resigned and ceased to be the member of Stakeholders Relationship Committee w.e.f February 7, 2020

Mr. Sandip Sarkar was appointed as member of Stakeholders Relationship Committee w.e.f February 14, 2020.

The Company Secretary acts as the Secretary to the Stakeholders' Relationship Committee.

The terms of reference of the Stakeholders Relationship Committee are as follows:

To look into and redress shareholders/investors grievances relating to transfer of shares, non-receipt of declared dividends, non-receipt of Annual Reports, all such complaints directly concerning the shareholders/investors as stakeholders of the Company, any such matters that may be considered necessary in relation to shareholders and investors of the Company and to appoint Compliance Officer for redressal of investor grievances and fix his responsibilities.

The Committee has delegated the authority to approve the requests for transfers/transmission, split and re-mat/de-mat of shares to the Company Secretary. The Committee reviews the transfer/de-mat/re-mat approved by the Company Secretary and take note thereof in their subsequent meeting.

As per the Regulation 13 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 with the Stock Exchanges, the Company has designated a separate E-mail id (info@kaushalya.net) exclusively for redressal of investors' complaints.

The details of the complaints during the year 2019- 2020, excluding correspondences which are not in the nature of complaints are given below:

Number of complaints received from the shareholders	0
Number of complaints redressed	0
Number of complaints not solved/pending	0

The Company Secretary acts as a Secretary to the Stakeholders Relationship Committee.

Report on Corporate Governance (*contd.*)

SEBI Complaints Redress System (SCORES)

Your Company has been registered on SCORES and makes every effort to resolve all investor complaints received through SCORES or otherwise within the statutory time limit from the receipt of the complaint.

The investor complaints in the SCORES are processed in a centralized web-based complaints redress system. The salient features of this system are centralized database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned Companies and online viewing by investors of actions taken on the complaint and its current status.

5. PERFORMANCE EVALUATION

The Board has carried out the evaluation of its own performance and of the Board Committees, viz. Audit Committee, Nomination and Remuneration Committee, and Stakeholders' Relationship Committee as well as evaluation of performance of Directors individually.

In terms with the Policy for Evaluation of the Performance of the Board of Directors of the Company, we conducted a formal Board Effectiveness Review, as part of our efforts to evaluate the performance of our Board and identify areas that need improvement, in order to enhance the effectiveness of the Board, its Committees, and Individual Directors. This was in line with the requirements of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further, the performance evaluation criteria for Independent Directors included a check on their fulfillment of the independence criteria and their independence from the management.

The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Nomination & Remuneration Committee also carried out evaluation of every Director's performance. The Directors expressed their satisfaction with the evaluation process.

6. SEPARATE MEETING OF INDEPENDENT DIRECTORS'

During the year ended 31st March, 2020, the Independent Directors met on February 14, 2020 *inter alia*,

- i. to review performance of non-independent Directors & the Board as a whole,
- ii. to review performance of the Chairman of the Company and
- iii. to assess the quality, quantity and timeliness of flow of information between the Company management and the Board.

Report on Corporate Governance (*contd.*)

7. GENERAL BODY MEETING

Location and time, where last three Annual General Meetings were held are given below:

Financial Year	Date	Time	Venue	Special Resolution (s) Passed, if any
2018-2019	30th September, 2019	10.30 A.M	“Aikatan”, EZCC, IA-290, Sector-III, Salt Lake, Kolkata - 700 097	Yes*
2017-2018	27th September, 2018	10.30 A.M	“Aikatan”, EZCC, IA-290, Sector-III, Salt Lake, Kolkata - 700 097	No
2016- 2017	11th September, 2017	10.30 A.M	“Aikatan”, EZCC, IA-290, Sector-III, Salt Lake, Kolkata - 700 097	No

No special resolution was passed through postal ballot at the last AGM and no special resolution is proposed to be conducted through postal ballot at the forthcoming AGM to be held on 28th September, 2020.

*Resolutions pertaining to the following matters were passed as Special Resolution:

Re-appointment of Mrs. Minoti Nath (DIN-07017530), as an Independent Director for second term of five years.

Extraordinary General Meeting: During the Financial Year 2019-20, no Extraordinary General Meeting of the members of the Company was held.

Postal Ballot: During the Financial Year 2019- 20, no matter was transacted by way of Postal Ballot.

8. DISCLOSURES

- The required statements/disclosures with respect to the related party transaction are placed before the Audit Committee.

Your Company does not have any related party transactions, which may have potential conflict with the interests of the Company at large. However, disclosure of transactions with related parties is set out in the Notes to Accounts, forming part of the Annual Report. The Company has disclosed the policy on dealing with the related party transactions on its website at <http://www.kaushalya.net/KIDCORELATED.pdf>.

Details of such transactions as per requirement of Accounting Standard 18 are disclosed in to the Audited Financial Statements.

- Your Company has followed the prescribed guidelines of IND AS in preparation of its financial statements.

Report on Corporate Governance (*contd.*)

- iii. Your Company has laid down Risk Assessment and Minimization procedures and the same is periodically reviewed by the Board. Further, the Company has adequate internal control systems to identify the risk at appropriate time and to ensure that the executive management controls the risk through properly defined framework.
- iv. The Company has complied with the requirements of regulatory authorities on capital markets and no penalties/ strictures were imposed against it during the last three years.
- v. Your Company has complied with all the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has submitted the quarterly compliance reports to the Stock Exchanges within the prescribed time limit.
- vi. ***Subsidiary Information***

In compliance with Regulation 24 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has a material non-listed Indian subsidiary Company i.e. Bengal KDC Housing Development Limited (CIN- U70101WB2006PLC110153) and one Independent Director of the Company i.e. Mrs. Minoti Nath was appointed and continuing as Independent Director in Bengal KDC Housing Development Limited. The Secretarial Audit Report given by M/s. B. K. Barik & Associates, Practicing Company Secretaries, for the financial year 2019- 20 of Bengal KDC Housing Development Ltd is annexed to the Directors' Report of Bengal KDC Housing Development Ltd. for the said financial year. The Minutes of the proceedings of meetings of the Board of Directors of subsidiary Companies are periodically placed before the Board of Directors of the Company and the attention of the Directors is drawn to significant transactions and arrangements entered into by the subsidiary Companies.

No. of Subsidiary Companies: -

As at March 31, 2020 the Company had following Subsidiaries:

- Bengal KDC Housing Development Limited
- KDC Nirman Limited
- Kaushalya Energy Private Limited

Step Down Subsidiary

- Azur Solar KDC Private Limited

The Audit Committee reviews the financial statements of all the subsidiary Companies including the investment made by the Company. The Minutes/ Resolutions of the Board Meetings of all the Subsidiary Companies (including the step-down Subsidiary Company) are placed before the Board periodically. The management periodically reviews a statement of all significant transactions, if any, entered into by all the subsidiary Companies.

Report on Corporate Governance (*contd.*)

- vii. The Management Discussion and Analysis Report forms a part of the Annual Report and includes various matters specified under the Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- viii. The CEO/CFO Certificate has been placed before the Board at their meeting held on August 29, 2020 in compliance with SEBI (Listing Obligations and Disclosure Requirements), Regulation, 2015 with the Stock Exchanges duly signed by the Managing Director/CEO and CFO.
- ix. The Statutory Auditor Certificate, with respect to compliance of SEBI (Listing Obligations and Disclosure Requirements), Regulation, 2015 relating to Corporate Governance, has been annexed to the Directors' Report and will be sent to the Stock Exchanges at the time of filing the Company's Annual Report.
- x. The Company has laid down procedures to inform Board Members about the Risk Assessment and minimization procedure, which are periodically reviewed by the Board.
- xi. Details of Directors seeking Appointment/Re-appointment at the ensuing Annual General Meeting as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to the Notice convening the Annual General Meeting.
- xii. As stipulated by SEBI, a Reconciliation of Share Capital Audit is carried out by an independent Practicing Company Secretary, Mr. Md Shahnawaz (Membership No. 21427, C.P. No. 15076) on quarterly basis to confirm reconciliation of the issued and listed capital, shares held in dematerialized and physical mode and the status of the register of members.
- xiii. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor.

Details relating to fees paid to the Statutory Auditors are given in Notes 30.1 to the Standalone Financial Statements and Notes 31.1 to the Consolidated Financial Statements.

- xiv. A Certificate from a Company Secretary in Practice that none of the directors on the board of the company as on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority.

The Certificate of Company Secretary in practice is annexed herewith as a part of the report.

9. CODE OF CONDUCT AND ETHICS AND INSIDER TRADING

The Company has adopted a Code of Conduct and Ethics (Code) for the members of Board of Directors and Senior Management Personnel of the Company. The essence of the code is to conduct the business of the Company in an honest, fair and ethical manner, in compliance with applicable laws and in a way that excludes considerations for personal advantage. All Directors and Senior Management personnel have affirmed compliance with the code and a declaration to this effect, signed by the Executive Director, is attached to this report.

Report on Corporate Governance (*contd.*)

COMPLIANCE WITH CODE OF BUSINESS CONDUCT AND ETHICS

To,
The Members of
Kaushalya Infrastructure Dev. Corp. Ltd.

In accordance with Regulation 17(5)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and Senior Management Personnel of the Company have confirmed compliance with the Code of Business Conduct and Ethics for the financial year ended 31st March, 2020.

For **Kaushalya Infrastructure Dev Corp Ltd**

Place: Kolkata
Date: August 29, 2020

Mahesh Mehra
Whole-time Director
DIN-00086683

10. MEANS OF COMMUNICATION

All vital information relating to the Company and its performance, including quarterly results, its shareholding data, etc. are posted on the website of the Company. The Company's website address is www.kaushalya.net.

The quarterly and annual results of the Company's performance are published in leading English daily i.e. Business Standard and regional language daily i.e. Arthik Lipi.

The quarterly results of the Company are also available on the websites of BSE Limited and National Stock Exchange of India Limited, viz. www.bseindia.com and www.nseindia.com respectively. The Company files the quarterly results, Corporate Governance report, Shareholding pattern etc. electronically with BSE Limited and National Stock Exchange of India Limited, through BSE Listing Centre and NSE Electronic Application Processing System (NEAPS), respectively.

11. GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting

Date and Time: 28th September, 2020 at 2.00 P.M.

Venue: The meeting for F.Y. 2019-20 will be conducted by way of two-way video conferencing (V.C)/ Other Audio Visual Means (OAVM) facility, ("OAVM"). The venue of the meeting shall be deemed to be the registered office of the company at HB-170, Sector-III, Salt Lake, Kolkata – 700 106

Report on Corporate Governance (*contd.*)

Financial Year

The financial year of the Company is from 1st April, 2019 to 31st March, 2020.

Financial year calendar for 2020- 21 (Tentative)*

<i>Particulars</i>	<i>Tentative Schedule</i>
Results for the quarter ending 30th June, 2020	Disclosed on August 29, 2020 (Subject to Limited Review)
Results for the quarter ending 30th September, 2020	On or before November 14, 2020 (Subject to Limited Review)
Results for the quarter ending 31st December, 2020	On or before February 14, 2021 (Subject to Limited Review)
Results for the quarter/year ending 31st March, 2021	On or before May 30, 2021 (Audited)

* Tentative and subject to change.

Book Closure Date

22nd September, 2020 to 28th September, 2020 (both days inclusive) on account of AGM.

Listing of Equity Shares on Stock Exchanges

- i) **National Stock Exchange of India Ltd.**
Exchange Plaza, Bandra – Kurla Complex,
Bandra (E) Mumbai- 400 051
- ii) **BSE Ltd.**
PJ, Towers, Dalal Street,
Mumbai- 400 001.

Listing Fees

Listing fee for the year 2020- 21 is payable to the National Stock Exchange of India Ltd. and BSE Ltd. where the Company's equity shares are listed.

Depositories

- i) **National Securities Depository Ltd.**
Trade World, 4th Floor, Kamala Mills Compound
Senapati Bapat Marg, Lower Parel, Mumbai 400 003
- ii) **Central Depository Services (India) Ltd.**
Phiroze Jeejeebhoy Towers, 17th Floor,
Dalal Street Mumbai 400 023

Report on Corporate Governance (*contd.*)

Corporate Identity Number (CIN)

CIN of the Company, allotted by Ministry of Corporate Affairs, Government of India, is **L51216WB1992PLC055629** and our Company is registered within the jurisdiction of the Registrar of Companies, Kolkata, West Bengal.

ISIN No. for the Company

ISIN No. for the Company's Equity Share in Demat Form: **INE234I01010**.

Stock Code

NSE : **KAUSHALYA**

BSE : 532925

Market price data

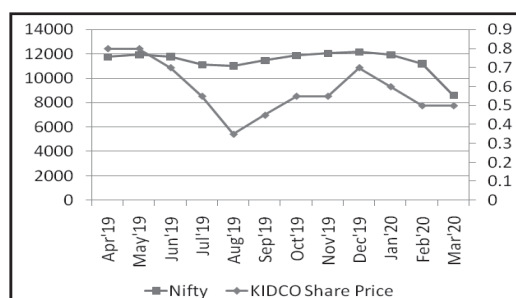
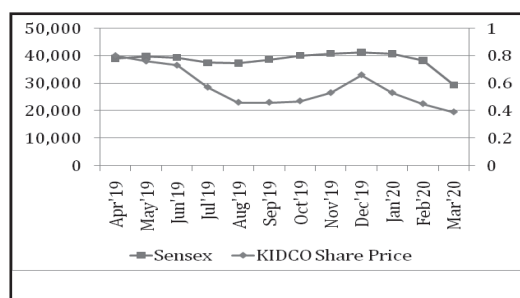
Monthly high, low quotations and trading volumes of the Company's equity shares (Face Value of Rs 10/- each) during the financial year 2019-20 at BSE and NSE are noted below:

<i>Months</i>	<i>Bombay Stock Exchange Ltd</i>			<i>National Stock Exchange of India Ltd.</i>		
	<i>High</i>	<i>Low</i>	<i>Volume</i>	<i>High</i>	<i>Low</i>	<i>Volume</i>
April, 2019	0.80	0.60	25640	0.80	0.60	69540
May, 2019	0.76	0.58	9690	0.80	0.65	26280
June, 2019	0.73	0.57	26550	0.70	0.40	36450
July, 2019	0.57	0.44	20750	0.55	0.30	65230
August, 2019	0.46	0.38	50770	0.35	0.30	148770
September, 2019	0.46	0.43	19730	0.45	0.35	22520
October, 2019	0.47	0.38	17070	0.55	0.30	119700
November, 2019	0.53	0.41	99440	0.55	0.40	98620
December, 2019	0.66	0.44	102360	0.70	0.40	124910
January, 2020	0.53	0.42	54050	0.60	0.40	338240
February, 2020	0.45	0.38	63030	0.50	0.35	102610
March, 2020	0.39	0.37	18460	0.50	0.30	266670

[Source: This information is compiled from the data available from the websites of BSE and NSE.]

Report on Corporate Governance (*contd.*)

Performance of the Company in comparison with broad based indices



Registrar and Share Transfer Agent

M/s CB Management Services (P)Limited

P-22, Bondel Road, Kolkata-700019

Ph: +91 33 40116700, 2280 6692/93/94/2486; Fax: +91 33 2287 0263

Email: rta@cbmsl.com

Website: www.cbmsl.com

Share Transfer System

Request for transfer of Equity Shares held in physical form may be lodged with M/s. CB Management Services (P) Limited, Kolkata or may be sent to the Company Secretary at the registered office of the Company at Kolkata.

Share transfers are registered and returned within 15 days from the date of lodgment, provided documents are complete in all respects.

Shareholding pattern as on March 31, 2020

Category	No. of Shares held	% of shareholding
Promoters & Promoters Group	17806474	51.42
Financial Institutions / Banks	800	0.00
Bodies Corporate	2646638	7.64
Non-Resident Indians	275273	0.79
Clearing Members	48537	0.14
Resident Individuals	13852908	40.00
Total	34630630	100.00

Report on Corporate Governance (*contd.*)

Distribution of Shareholding

The distribution of shareholding of the Company as on March 31, 2020 is noted below:

Range of Holding	No. of Shareholders	% on total no. of Shareholders	No. of Shares	% on issued shares
Upto - 500	15243	79.4900	2409982	6.9591
501 - 1000	1728	9.0113	1480833	4.2761
1001 - 2000	984	5.1314	1556581	4.4948
2001 - 3000	338	1.7626	872436	2.5193
3001 - 4000	186	0.9700	677074	1.9551
4001 - 5000	205	1.0690	981872	2.8353
5001 - 10000	282	1.4706	2109226	6.0906
10001- 50000	178	0.9282	3291306	9.5040
50001 - 100000	18	0.0939	1245841	3.5975
100001 and above	14	0.0730	20005479	57.7682
Total	19176	100.00	34630630	100.00

Dematerialization of shares and liquidity as on March 31, 2020

The Company's Equity Shares are compulsorily traded in dematerialized form and are available for trading on both the Depositories in India - National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL').

3,46,30,070 Equity Shares of the Company representing 99.99% of the Company's Equity Share Capital are dematerialized as on March 31, 2020.

Outstanding convertible instruments, conversion date and likely impact on equity

The Company has not issued any GDRs/ ADRs/Warrants or any Convertible instruments.

Address for Correspondence

For any assistance, queries regarding transfer or transmission of shares, dematerialization, non-receipt of dividend, non-credit of shares in de-mat account and any other query relating to the shares of the Company and Annual Report, the shareholders may write to the following:

Report on Corporate Governance (*contd.*)

Company Secretary

Mr. Sanjay Lal Gupta

M/s Kaushalya Infrastructure Development Corporation Ltd.

CIN-L51216WB1992PLC055629

HB- 170, Sector – III, Salt Lake, Kolkata – 700 106

Tel: + 91 33 2334 4148, Fax: + 91 33 2334 4148

E –mail: info@kaushalya.net

Website: www.kaushalya.net

Registrar and Share Transfer Agent

M/s. CB Management Services Private Limited

P-22, Bondel Road, Kolkata-700019

Ph: +91 33 40116700, 2280 6692/93/94/2486; Fax: +91 33 2287 0263

Email: rta@cbmsl.com

Website: www.cbmsl.com

For and on behalf of the Board

Place: Kolkata

Date: 29th August, 2020

Mahesh Mehra

DIN-00086683

Whole-time Director

Report on Corporate Governance (contd.)**CEO AND CFO CERTIFICATION**

To
The Members of,
Kaushalya Infrastructure Dev. Corp. Ltd.
CIN: L51216WB1992PLC055629
HB-170, Sector-III, Salt Lake,
Kolkata-700 106

We, Mahesh Mehra, Executive Director & Whole-time Director and Tarak Nath Mishra, Chief Financial Officer & Whole-time Director certify that:

- A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit committee:
- (1) significant changes in internal control over financial reporting during the year;
 - (2) significant changes in accounting policies during the year; and
 - (3) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Kolkata
Dated: August 29, 2020

Mahesh Mehra
Executive Director &
Whole-time Director

Tarak Nath Mishra
Chief Financial Officer
Whole-time Director

Report on Corporate Governance (*contd.*)

Auditors' Certificate on Corporate Governance

To

The members of

Kaushalya Infrastructure Development Corporation Limited

1. This certificate is issued in accordance with the terms of our engagement letter.
2. We have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March, 2020, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

Management's Responsibility

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

Auditor's Responsibility

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

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the Listing Regulations during the year ended 31st March, 2020.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Monu Jain & Company

Chartered Accountants

Firm Registration No. 327900E

Monu Jain

Partner

Place: Kolkata

Date: 29th August, 2020

Membership No. 302721

UDIN : 20302721AAAACI8107

Report on Corporate Governance (contd.)**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI(Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018)

To

The Members of,
Kaushalya Infrastructure Dev. Corp. Ltd.
CIN: L51216WB1992PLC055629
HB-170, Sector-III, Salt Lake,
Kolkata-700 106

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Kaushalya Infrastructure Development Corporation Limited having Corporate Identity Number: L51216WB1992PLC055629 and having registered office at HB-170, Sector-III, Salt Lake, Kolkata- 700106. (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule-V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2018, as amended.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company for the financial year ending on March 31, 2020, have been debarred or disqualified from being appointed or continuing as Directors of Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority. Ensuring the eligibility of for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our test check basis verification.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For B. K. Barik & Associates

B. K. Barik
Practicing Company Secretary

Place: Kolkata
Date: 29th August, 2020

C.P. No.: 3897
FCS: 5696

Standalone Financials

Independent Auditors' Report

To the Members of

KAUSHALYA INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED

Report on the Standalone Ind AS Financial Statements

OPINION

We have audited the accompanying Standalone Financial Statements of KAUSHALYA INFRASTRUCTURE DEVELOPMENT CORPORATION LTD. ("the Company"), which comprise the Balance sheet as at March 31, 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of 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, as amended ("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 March 31, 2020, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' 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 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 are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements for the financial year ended March 31, 2020. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Standalone Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Standalone Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Standalone Financial Statements.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the other information. The other information comprises the information

Independent Auditors' Report (*contd.*)

included in the Annual report, 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 such other information is materially inconsistent with the 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.

RESPONSIBILITIES OF MANAGEMENT FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone 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) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the 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 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 is 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.

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

AUDITOR'S RESPONSIBILITIES 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 Standalone 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 Standalone Financial Statements, whether due to fraud or error,

Independent Auditors' Report (*contd.*)

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 system 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 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 auditor's 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 for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's 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 (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order;
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

Independent Auditors' Report (*contd.*)

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 the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- D) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- E) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 over financial reporting of the Company with reference to these Standalone Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- G) In our opinion, the managerial remuneration for the year ended March

31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

- H) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 33 to the Standalone Financial Statements;
- The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
- There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For MONU JAIN & COMPANY

Firm Regn. No: 327900E

Chartered Accountants

Monu Jain

Partner

Place: Kolkata

Date: 31st July, 2020

Membership No:

3027211

Annexure “1” to Independent Auditors’ Report (*contd.*)

To the Independent Auditor’s Report of even date on the Standalone Financial Statements of KAUSHALYA INFRASTRUCTURE DEVELOPMENT CORPORATION LTD.

(Referred to in paragraph 1, under ‘Report on Other Legal and Regulatory Requirements’ section of our Report of even date).

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme for physical verification in a phased periodic manner, which, in our opinion, is reasonable having regards to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to information and explanations given by the management, the title deeds/ lease deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, LLP or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clauses 3(iii) (a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) According to the information and explanations given to us, in our opinion, in respect of loans, investment, guarantees and security, provisions of section 185 and 186 of the Act have been complied with by the company.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company.
- (vi) In our opinion and according to the information and explanation given to us, in respect of goods produced by the company, maintenance of cost records has not been specified by the Central Government under section 148(1) of the Act.
- (vii)(a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident fund, Employees’ State Insurance, Income-tax, Sales-tax, Goods and Services tax, Service tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and Other Statutory Dues applicable to it except some dues amounting Rs.1879.39 lakhs.
- (b) According to the information and explanations provided to us, no undisputed amounts payable in respect of Provident fund, Employees’ State Insurance, Income-tax, Sales Tax, Goods and Service tax, Service tax, Duty of custom, Duty of excise, Value added tax, Cess and Other Statutory Dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues of Income-tax, Sales-tax, Service tax, Duty of Custom, Duty of Excise, Value added tax and Cess which have not been deposited on March 31, 2020 on account of any dispute, are as follows:

Annexure “1” to Independent Auditors’ Report (*contd.*)

Name of the Statute	Nature of Dues	Amount (in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	20.22	Assessment Year 2007-08	I.T. Appellate Tribunal
Income Tax Act, 1961	Income Tax	20.19	Assessment Year 2009-10	I.T. Appellate Tribunal
Income Tax Act, 1961	Income Tax	37.61	Assessment Year 2010-11	I.T. Appellate Tribunal
Income Tax Act, 1961	Income Tax	1.91	Assessment Year 2011-12	To be adjusted against refund
Income Tax Act, 1961	Income Tax	59.26	Assessment Year 2012-13	I.T. Appellate Tribunal
Income Tax Act, 1961	Income Tax	332.74	Assessment Year 2013-14	I.T. Appellate Tribunal
Income Tax Act, 1961	Income Tax	513.89	Assessment Year 2014-15	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	0.05	Assessment Year 2017-18	To be adjusted against refund
WBVAT Act, 2003	VAT	69.48	Financial Year 2007-08	W.B. Taxation Tribunal
WBVAT Act, 2003	VAT	817.10	Financial Year 2008-09	Joint Commissioner, Appeals
WBVAT Act, 2003	VAT	0.35	Financial Year 2009-10	To be adjusted against refund
WBVAT Act, 2003	VAT	6.60	Financial Year 2012-13	Joint Commissioner, Appeals

- (viii) In our opinion and according to the information and explanations provided by the management, the company’s loan from SBI and IOB were taken over by the Alchemist Asset Reconstruction Company in the year 2016-17. Bank loan from SBI has been fully settled with Alchemist Asset Reconstruction Company in the current year and it has not defaulted in repayment of loans to Alchemist Asset Reconstruction Company in relation to IOB.
- (ix) The Company did not raise any money by way of initial public offer (including debt instrument) during the year.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Financial Statements and according to the information and explanations provided by the management, we report that no fraud by the Company or no material fraud on the Company by the

Annexure “1” to Independent Auditors’ Report (*contd.*)

- officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations provided by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations provided by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations provided to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures
- (xv) During the year under review and hence, reporting requirements under clause 3(xiv) of the Order are not applicable to the Company and, not commented upon.
- (xvi) According to the information and explanations provided by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvii) According to the information and explanations provided to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For MONU JAIN & COMPANY

Firm Regn. No: 327900E

Chartered Accountants

Monu Jain

Partner

Place: Kolkata

Date: 31st July, 2020

Membership No: 302721

Annexure “2” to Independent Auditors’ Report

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (i) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 (“THE ACT”)

We have audited the internal financial controls over financial reporting of **KAUSHALYA INFRASTRUCTURE DEVELOPMENT CORPORATION LTD.** (“the Company”) as of March 31, 2020 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 with reference to these standalone financial statements 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”) and the Standards

on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. 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 with reference to these standalone financial statements 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 with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone financial statements, 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 judgement, 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 internal financial controls system over financial reporting with reference to these standalone financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE FINANCIAL STATEMENTS

A company’s internal financial control over financial reporting with reference to these standalone financial statements is a process designed to provide

Annexure “2” to Independent Auditors’ Report (*contd.*)

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 with reference to these standalone financial statements 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 WITH REFERENCE TO THESE STANDALONE FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls over financial reporting with reference to these 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 over financial reporting with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone financial statements 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, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls system over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 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.

For MONU JAIN & COMPANY

Firm Regn. No: 327900E

Chartered Accountants

Monu Jain

Partner

Place: Kolkata

Date: 31st July, 2020

Membership No: 302721

Balance Sheet as at 31st March, 2020

(₹ in lakhs)

Particulars	Notes	As at 31.03.2020	As at 31.03.2019
(I) ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	4	182.00	224.13
(b) Investment property	5	266.07	266.07
		448.07	490.20
(c) Investments in subsidiaries and associates	6	215.33	215.33
(d) Financial assets			
(i) Investments	6	5,205.11	5,928.44
(ii) Loans	7	265.76	0.94
(e) Deferred tax asset (net)	8	600.82	567.51
(f) Income tax assets (net)	9	576.91	608.31
		7,312.00	7,810.73
(2) Current Assets			
(a) Inventories	10	46.30	46.88
(b) Financial assets			
(i) Trade receivables	11	1,377.30	1,378.51
(ii) Cash and cash equivalents	12	12.72	14.51
(iii) Other balances with Bank	12	30.86	37.95
(iv) Loans and advances	13	307.78	916.98
(v) Other financial assets	14	386.99	3.26
(c) Other current assets	15	0.98	68.65
		2,162.93	2,466.74
TOTAL ASSETS		9,474.93	10,277.47
(II) EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	16	3,463.06	3,463.06
(b) Other equity	17	566.26	1,322.23
		4,029.32	4,785.29
(2) Non-current liabilities			
(a) Provisions	18	8.46	8.46
		8.46	8.46
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	3,956.55	3,884.52
(ii) Trade payables	20		
– Total outstanding dues to micro, small and medium enterprise		–	–
– Total outstanding dues to creditors other than micro, small and medium enterprise		1,063.10	1,120.45
(iii) Other financial liabilities	21	56.41	77.44
(b) Other current liabilities	22	361.09	401.31
		5,437.15	5,483.72
TOTAL EQUITY AND LIABILITIES		9,474.93	10,277.47

See accompanying notes forming part of the financial statements

As per terms of our report attached.

For and on behalf of the Board of Directors

For Monu Jain & Company

Firm Regn. No. 327900E

Chartered Accountants

Mahesh Mehra
Whole-time Director

Tarak Nath Mishra
CFO

Sanjay Lal Gupta
Company Secretary

Monu Jain

Partner

Membership No. 302721

Place : Kolkata

Date : 31st July, 2020

Statement of Profit and Loss for the year ended 31st March, 2020

(₹ in lakhs)

Particulars	Notes	For the year ended 31.03.2020	For the year ended 31.03.2019
1) Revenue from operations	23	18.05	22.47
2) Other income	24	81.47	2,602.81
3) Total Income (1) + (2)		99.52	2,625.28
4) EXPENSES			
a) Cost of materials consumed	25	4.16	4.99
b) Changes in inventories of finished goods and work in progress	26	—	—
c) Employee benefits expense	27	25.44	26.43
d) Finance costs	28	69.62	57.94
e) Depreciation expense	29	42.13	43.59
f) Other expenses	30	538.46	840.37
Total Expenses (4)		679.81	973.32
5) Profit/ (loss) before tax (3) - (4)		(580.29)	1,651.96
6) Tax Expense	31		
a) Current tax		—	—
b) Deferred tax			
i) Deferred tax for current year		(33.31)	(600.68)
Total tax expense (6)		(33.31)	(600.68)
7) Profit/ (loss) for the year (5) - (6)		(546.98)	2,252.64
8) Other comprehensive income			
a) Items that will be reclassified to statement of profit and loss		—	—
b) Items that will not be reclassified to statement of profit and loss		—	—
i) Changes in fair value of equity instruments		(208.99)	—
ii) Income Tax relating to items above		—	—
Total other comprehensive income (8)		(208.99)	—
9) Total comprehensive income for the year (7) + (8)		(755.97)	2,252.64
10) Earnings per equity share: (Face value of share of Rs 10 each)	32		
a) Basic		(1.58)	6.50
b) Diluted		(1.58)	6.50

See accompanying notes forming part of the financial statements

As per terms of our report attached.

For and on behalf of the Board of Directors

For Monu Jain & Company

Firm Regn. No. 327900E

Chartered Accountants

Mahesh Mehra
Whole-time Director**Tarak Nath Mishra**
CFO**Sanjay Lal Gupta**
Company Secretary**Monu Jain**

Partner

Membership No. 302721

Place : Kolkata

Date : 31st July, 2020

Cash Flow Statement for the year ended 31st March, 2020

Particulars	(₹ in lakhs)	
	For the year ended 31.03.2020	For the year ended 31.03.2019
A. Cash Flow from Operating activities:		
Profit/ (loss) before tax	(580.29)	1,651.96
<i>Adjustments for:</i>		
Depreciation expense	42.13	43.59
Interest income	(2.50)	(2.20)
Loss on sale of shares	81.17	—
Loss Allowance on security deposits	331.25	602.74
Loss Allowance for trade receivables	1.20	165.80
Interest expenses	69.62	57.94
Liabilities/provision no longer required written back	(78.93)	(6.85)
Gain on settlement of loan with SBI	—	(2,556.43)
Operating profit before working capital changes	(136.35)	(43.45)
<i>Adjustments for changes in operating assets/ liabilities</i>		
Inventories	0.58	1.46
Trade receivables	0.01	57.27
Loans and advances	13.13	15.80
Other current assets	67.67	—
Trade Payables	21.58	(110.33)
Current financial liabilities	(21.03)	—
Other current liabilities	(40.22)	31.52
Cash generated from operations	(94.63)	(47.73)
Direct taxes refunded/ (paid)	31.40	(32.20)
Net cash generated from/ (used in) investing activities	(63.23)	(79.93)

Cash Flow Statement for the year ended 31st March, 2020 (contd.)

Particulars	(₹ in lakhs)	
	For the year ended 31.03.2020	For the year ended 31.03.2019
B. Cash Flow from Investing activities:		
Fixed deposits (placed) / realised (net)	7.09	(11.49)
Proceeds from sale of Investments in equity instruments	49.99	-
Interest received	1.95	1.66
Net cash generated from/ (used in) investing activities	59.03	(9.83)
C. Cash Flow from Financing activities:		
Proceeds/ (Repayments) of current borrowings		
– From banks	(156.55)	(72.01)
– From group companies	167.39	167.91
Interest paid	(8.43)	(5.79)
Net cash generated from/ (used in) financing activities	2.41	90.11
Net increase/(decrease) in cash and cash equivalents	(1.79)	0.35
Cash and cash equivalents as at 1 April¹	14.51	14.16
Cash and cash equivalents as at 31 March¹	12.72	14.51

See accompanying notes forming part of the financial statements

1. Cash and cash equivalents represents cash, cheques on hand and balances with banks.
(Refer Note. 12)
2. Interest accrued and converted into loan amounting to 61.19 lacs (P.Y. NIL) being a non-cash item have not been considered above.
3. Figures in brackets represent outflows.

As per terms of our report attached.

For and on behalf of the Board of Directors

For Monu Jain & Company

Firm Regn. No. 327900E

Chartered Accountants

Mahesh Mehra
Whole-time Director

Tarak Nath Mishra
CFO

Sanjay Lal Gupta
Company Secretary

Monu Jain

Partner

Membership No. 302721

Place : Kolkata

Date : 31st July, 2020

Statement of Changes in Equity for the year ended 31st March, 2020

A. Equity Share Capital

Particulars	Amount ₹ in lakhs
Balance as at April 1, 2018	3,463.06
Changes in equity share capital during the year	-
Balance as at March 31, 2019	3,463.06
Changes in equity share capital during the year	-
Balance as at March 31, 2020	3,463.06

B. Other Equity

₹ in lakhs

Statement of changes in Equity	Reserves and surplus		Retained earnings		Total Equity
	Securities Premium	General Reserve	Investment Revaluation Reserve	Retained Earnings	
Balance at April 1, 2018	4,793.85	484.87	-	(6,209.13)	(930.41)
Profit for the year	-	-	-	2,252.64	2,252.64
Other Comprehensive Income	-	-	-	-	-
Balance at March 31, 2019	4,793.85	484.87	-	(3,956.49)	1,322.23
Profit for the year	-	-	-	(546.98)	(546.98)
Other Comprehensive Income	-	-	(208.99)	-	(208.99)
Balance at March 31, 2020	4,793.85	484.87	(208.99)	(4,503.47)	566.26

See accompanying notes forming part of the financial statements

As per terms of our report attached.

For and on behalf of the Board of Directors

For Monu Jain & Company

Firm Regn. No. 327900E

Chartered Accountants

Mahesh Mehra
Whole-time Director

Tarak Nath Mishra
CFO

Sanjay Lal Gupta
Company Secretary

Monu Jain

Partner

Membership No. 302721

Place : Kolkata

Date : 31st July, 2020

Notes forming part of the Financial Statements

1. General corporate information

Kaushalya Infrastructure Development Corporation Limited (the company) is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on the BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE'). The Company is primarily engaged in executing construction contracts relating to infrastructure, real estate developments, acquisition and development, and sale of land. The Company is also engaged in operating hotels.

The Company's services are limited to domestic markets only.

2. Application of new and revised Ind As

Ind ASs notified and effective from April 1, 2019
The following Ind AS has become effective from April 1, 2019:

- a. Ind AS 116 – Leases
- b. Amendments to Ind AS 12 – Income Taxes
- c. Amendments to Ind AS 19 – Employee Benefits
- d. Amendments to Ind AS 28 – Investments in Associates and Joint Ventures
- e. Amendments to Ind AS 109 – Financial Instruments

The Company had to change its accounting policies as a result of adopting Ind AS 116 - Leases, did not have any significant impact. Other amendments listed above did not have any impact on the amounts recognized in the prior periods and are not expected to significant affect the current and future period.

3. Summary of significant accounting policies

3.01 Statement of compliance

The financial statements have been prepared in accordance with Ind ASs notified under the Companies (Indian Accounting Standard) Rules,

2015, as amended, and the relevant provisions of the Companies Act, 2013 ('the Act'), as applicable.

3.02 Basis of preparation and presentation

This is the separate financial statement presented as per requirement of Ind AS 27 – Separate Financial Statements, those presented by a parent.

These separate financial statements of the Company are prepared under the historical cost except for certain financial instruments that are measured at fair value at end of each reporting period. Historical cost is generally based on fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. In these separate financial statements, the fair value for measurement and/or disclosure purpose is determined on such basis except for leasing transactions that are within the scope of Ind AS 17 – Leases / Ind AS 116 – Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 – Inventories or value in use in Ind AS 36 – Impairment of assets.

In addition, for financial reporting purposes, fair value measurements are categorized in to Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described

Notes forming part of the Financial Statements (*contd.*)

as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division II of Schedule III to the Companies Act, 2013. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 – Statement of Cash Flows. The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Companies Act, 2013 are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Indian Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

3.03 Use of Estimates

The preparation of separate financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the separate financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

3.04 Revenue recognition

The Company has following major sources of revenue:

- a. Construction activities
- b. Hotel
- c. Other services / activities

Revenue is measured based on the consideration to the which the Company expects to be entitled to in a contract with customer and excludes amounts collected on behalf of third parties (e.g. goods and service tax). The Company recognizes revenue when it transfers control of a product or service to a customer.

3.04.01 Construction activities

Construction activities includes long-term contracts for construction of infrastructure facilities or projects priced on a time and material basis etc. Revenues from construction activities are recognised over time using percentage of completion method. Such percentage of completion is determined as a proportion of the cost incurred for work performed to date relative to the total estimated contract costs.

The Company follows the policy of recognizing the contract revenue as soon as the work is completed, irrespective of the certification. However, whenever the work gets certified, the Company takes the certified portion of the previously uncertified revenue and deducts the same amount from the uncertified portion of the revenue of the respective financial year.

Foreseeable losses on such contracts are recognized when probable using the most likely outcome or expected value method, as the case may be, in the particular circumstance.

3.04.02 Hotel Operations

Revenue is recognised at the transaction price that is allocated to the performance obligation. Revenue includes room revenue, food and beverage sale and other services which is

Notes forming part of the Financial Statements (contd.)

recognised once the rooms are occupied, food and beverages are sold and other services have been provided as per the contract with the customer.

3.04.03 Other services / activities

Revenues from agricultural activities is recognized at a point in time when the agricultural produce is sold to the customers.

Revenues from consultancy services are recognized overtime when such services are performed.

Revenue from hire charges are recognized overtime.

Revenues from maintenance contracts are recognized overtime when the maintenance services are provided to the customers.

3.04.04 Other Income

Interest: Interest income is recognized on time proportion basis taking into account the amount outstanding and the effective interest rate applicable.

3.05 Employee Benefits

3.05.01 Short-term benefits

Short term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.

3.05.02 Defined retirement benefits

The cost of providing defined benefit retirement benefits are determined using the projected unit credit method. The Company provides gratuity benefits to its employees. Gratuity liabilities are not funded. Remeasurements, comprising actuarial gains and losses, return on plan assets excluding amounts included in net interest on the net benefit liability (asset) and any change in the effect of the asset ceiling (if applicable) are recognised in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur.

Remeasurement recognised in the comprehensive income are not reclassified to profit and loss but recognised directly in the retained earnings. Past service costs are recognised in profit and loss in the period in which the amendment to plan occurs. Net interest is calculated by applying the discount rate to the net defined liability or asset at the beginning of the period, taking into account of any changes in the net defined benefit liability(asset) during the period as a result of contribution and benefit payments.

Defined benefit costs which are recognised in profit and loss are categorised as follows

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements); and
- net interest expense or income; and

The retirement benefit obligation recognised in the separate financial statements represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reduction in future contributions to the plans.

The liability for termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

3.06 Taxation

i) Current tax

Current tax is the amount of tax payable on the taxable profit for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Taxable profit differs from 'Profit Before Tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and

Notes forming part of the Financial Statements (*contd.*)

items that are never taxable or deductible. The current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period

ii) **Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the separate financial statements and the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

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

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

iii) **Minimum alternate tax**

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is recognised as an asset in the balance sheet when there is convincing evidence that the Company will pay normal income tax during the specified period and it is probable that future economic benefit associated with it will flow to the Company.

iv) **Current tax and deferred tax**

Current tax and deferred tax are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity respectively. The current and deferred tax arising from the initial accounting for business combination, are included in the accounting for the business combination.

3.07 **Property, Plant and equipment**

Land, buildings, Plant and equipment, Furniture and Fixtures, Vehicles, Office equipments held for use in the operations, or for administrative purposes are stated at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated. Cost includes purchase cost of materials, including import duties and non-refundable taxes, any directly attributable costs of bringing an asset to the location and condition of its intended use and borrowing costs capitalised in accordance with the Company's accounting policy.

Depreciation is recognised so as to write off the cost of assets (other than freehold land) less their residual values over the useful lives, using the straight-line method. Depreciation of assets

Notes forming part of the Financial Statements (*contd.*)

commences when the assets are ready for their intended use. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes is accounted as change in estimate on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is recognised in Statement of Profit and Loss.

Upto March 31, 2019, assets acquired under finance leases are depreciated over their expected useful lives on the same basis as owned asset. When there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

Estimated useful lives of the assets are as follows:

Buildings	: 30 to 60 years
Plant and equipment	: 3 to 15 years
Furniture and Fixtures	: 10 years
Office Equipments	: 3 to 5 years
Computers	: 3 years
Motor Vehicles	: 5 to 8 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is recognised in profit and loss.

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

3.08 Borrowing Costs

Borrowing cost attributable to the acquisition of qualifying assets is added to the cost up to the date when such assets are ready for their intended use. Other borrowing costs are recognized as expenses in the period in which these are incurred.

3.09 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets (Other than goodwill) to determine whether there is any indication that those assets have suffered any impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset for which the estimates of future cash flows have not be adjusted.

If the recoverable amount of an asset or cash generating unit is estimated to be less than the carrying amount, the carrying amount of the asset or cash generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in profit and loss.

When an impairment loss subsequently reverses, the carrying value of the asset or cash generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying

Notes forming part of the Financial Statements (*contd.*)

amount that would have been determined had no impairment loss been recognised for the asset or cash generating unit in prior years. Any reversal of an impairment loss is recognised immediately in profit and loss.

3.10 Inventories

Raw materials, stores and spares, finished goods, other construction materials and fuel are valued at lower of cost and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes purchase price, non-refundable taxes and duties and other directly attributable costs incurred in bringing the goods/services to the point of sale. Work-in-progress is valued at cost.

Value of inventories are generally ascertained on the "FIFO" basis.

3.11 Provisions, Contingent liabilities and Contingent assets

3.11.01 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.11.02 Onerous contracts

An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. Present obligation arising under onerous contracts are recognised and measured as provisions.

3.11.03 Contingent liabilities and assets

Contingent liability is a possible obligation that arises from past events and 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 is a present obligation that arises from past events but is not recognised because either it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a reliable estimate of the amount of the obligation cannot be made. Contingent liabilities are disclosed and not recognised. Contingent assets are neither recognised nor disclosed.

3.12 Leases

Upto March 31, 2019

Assets taken on lease by the Company had substantially all the risks and rewards of ownership are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. The Group's significant operating leasing arrangements are for premises (office,

Notes forming part of the Financial Statements (*contd.*)

residence etc.). The leasing arrangements which normally have a tenure of eleven months to three years are cancellable with a reasonable notice, and are renewable by mutual consent at agreed terms. The aggregate lease rent payable is charged as rent in the Statement of Profit and Loss.

With effect from April 1, 2019

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (leases with a lease term of 12 months or less) and leases of low value assets. For short term leases and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate, which is determined using the risk free rate for the same tenor adjusted for the credit risk associated with the lease, security etc. Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments), less any lease incentives; and any variable lease payments that are based on an index or a rate, initially measured using the index or rate at the commencement date. Lease payments to be made under reasonably certain extension options are also included in the measurement of lease liabilities.

Lease payments are allocated between the

principal and finance cost. The finance cost is charged in the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any.

Right-of-use assets are depreciated on straight-line basis over the period of lease term and useful life of the underlying asset, whichever is lower. If a lease transfers ownership of the underlying asset or where it is reasonably certain that the Group will exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

3.13 Investments in subsidiaries, joint ventures and associates

Investments in subsidiaries, joint ventures and associates are initially recognised and subsequently measured at cost less impairment loss, if any.

3.14 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transactions costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Notes forming part of the Financial Statements (*contd.*)

Transactions costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in profit and loss.

3.15 Financial assets

All purchases or sales of financial assets which require delivery of assets within the time frame established by regulation or convention in the market place are recognised and derecognised on a trade date basis. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

3.15.01 Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit and loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit and loss on initial recognition):

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

Interest income is recognised in profit and loss for Fair value through other comprehensive income (FVTOCI) debt instruments. For the purpose of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus exchange differences on the amortised cost are recognised in profit and loss and other changes in the fair value of FVTOCI financial assets in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit and loss.

All other financial assets are subsequently measured at fair value.

3.15.02 Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premium or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Income is recognised on effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in Statement of Profit and Loss and is included in the "Other income" line item.

3.15.03 Investments in equity instruments at FVTOCI

On initial recognition, the Company make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in the fair value of investments in equity instruments (other than investments held for

Notes forming part of the Financial Statements (*contd.*)

trading) in other comprehensive income. These instruments are initially measured at fair value plus transaction costs. Subsequently they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for Equity through other comprehensive income'. On disposal of these investments the cumulative gain or loss is not reclassified to profit and loss.

Dividends on these investments in equity instruments are recognised in profit and loss when the Company's right to receive dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends are included as part of 'Other income' in the Statement of Profit and Loss.

3.15.04 Financial assets at fair value through profit and loss (FVTPL)

Financial assets which meets the criteria of financial assets held for trading are designated as 'Financial Assets at FVTPL'. The Company has derivatives that are not designated and effective as a hedge instrument which are designated as 'Financial Assets at FVTPL'. Financial assets at FVTPL are measured at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in Statement Profit and Loss.

3.15.05 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on trade receivables, other contractual rights to receive cash or other financial instruments. Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that

are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate. The Company estimates cash flows by considering all contractual terms of the financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risks on that financial instrument has increased significantly since initial recognition. If the credit risk on financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 month expected credit losses.

If the Company measures the loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risks has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12 month expected credit losses.

For trade receivables or any contractual right to receive cash or another financial asset that results from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures loss allowance at an equal to life time expected credit losses. For the purpose of measuring lifetime expected credit loss allowance for trade receivables the Company has used practical expedient as permitted under Ind AS 109. The expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward looking information.

3.15.06 Derecognition of financial assets

The Company derecognises a financial asset

Notes forming part of the Financial Statements (*contd.*)

when the contractual rights to the cash flow from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of financial asset in its entirety, the difference between the asset's carrying amounts and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit and loss if such gain or loss would have otherwise been recognised in Statement of Profit and Loss on disposal of that financial asset.

3.16 Financial liabilities and equity instruments

3.16.01 Classification as debt or equity

Debt and equity instruments issued by a Company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company entity are recognised at the proceeds received, net of direct issue costs.

Repurchases of the Company's own equity instruments is recognised and deducted directly

in equity. No gain or loss is recognised in profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3.16.02 Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings and payables. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit and loss. The net gain or loss recognised in profit and loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

3.16.03 Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the

Notes forming part of the Financial Statements (*contd.*)

effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

3.16.04 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in Statement Profit and Loss.

3.17 Joint Venture Operations

In respect of contracts executed in Integrated Joint Ventures under profit sharing arrangement (assessed as AOP under Income tax laws), the services rendered to the Joint Ventures are accounted as income on accrual basis.

The profit / loss is accounted for, as and when it is determined by the Joint Venture and the net investment in the Joint Venture is reflected as investments, loans and advances or current liabilities.

3.18 Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 36 months for real estate & infrastructure projects and 12 months for others for the purpose of classification of its assets and liabilities as current and non-current.

3.19 Rounding Off

The financial statements have been prepared in Indian Rupees (Rs) rounded off to two nearest decimal places in lakhs unless otherwise stated.

Notes forming part of the Financial Statements (contd.)

4. Property, plant and equipment						₹ in lakhs
	Freehold Building	Plant and Machinery	Furniture and fixtures	Motor Vehicles	Office equipments	Total
Cost or deemed cost						
Balance at April 1, 2018	78.50	272.69	1.75	0.67	0.26	353.87
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Balance at March 31, 2019	78.50	272.69	1.75	0.67	0.26	353.87
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Balance at March 31, 2020	78.50	272.69	1.75	0.67	0.26	353.87
Accumulated depreciation						
Balance at April 1, 2018	3.08	80.76	1.52	0.55	0.23	86.14
Depreciation expense	1.54	41.89	0.12	0.02	0.03	43.60
Disposals	-	-	-	-	-	-
Balance at March 31, 2019	4.62	122.65	1.64	0.57	0.26	129.74
Depreciation expense	1.54	40.54	0.03	0.02	-	42.13
Disposals	-	-	-	-	-	-
Balance at March 31, 2020	4.62	122.65	1.67	0.57	0.26	129.74
Carrying amount						
Balance at April 1, 2018	75.42	191.93	0.23	0.12	0.03	267.73
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Depreciation expense	(1.54)	(41.89)	(0.12)	(0.02)	(0.03)	(43.60)
Balance at March 31, 2019	73.88	150.04	0.11	0.10	-	224.13
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Depreciation expense	(1.54)	(40.54)	(0.03)	(0.02)	-	(42.13)
Balance at March 31, 2020	72.34	109.50	0.08	0.08	-	182.00

Note:

1. All the present and future property, plant equipments of the company are hypothecated to Alchemist Asset Reconstruction Company Limited.

Notes forming part of the Financial Statements (contd.)

	As at 31.03.2020 ₹ in lakhs	As at 31.03.2019 ₹ in lakhs
5 Investment property		
Investment in land		
Opening balance	266.07	266.07
Additions	-	-
Closing balance	<u>266.07</u>	<u>266.07</u>

Estimation of fair value

The Company's investment property consists of freehold land in Telangana and West Bengal, India. The fair value of the investment property is based on current prices for similar property.

The main inputs used are quantum, area, location, demand, and trend of fair market value in the area. The fair value is determined by an accredited independent valuer. Fair valuation is based on market approach method and categorised as Level 2 fair value hierarchy as at 31 March 2020 and 31 March 2019, the fair values of the property are 471 lakhs and 463 lakhs respectively.

The Company has no restrictions on the realisability of its investment property and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and enhancements.

		As at 31.03.2020		As at 31.03.2019	
		Qty Nos.	Amount ₹ in lakhs	Qty Nos.	Amount ₹ in lakhs
6 Non-current investments					
A) Investments in subsidiaries (carried at cost)					
Unquoted Investments (all fully paid)					
Investments in Equity Instruments of					
KDC Nirman Limited	10.00	102,000	10.20	102,000	10.20
Bengal KDC Housing Development Limited	10.00	102,000	10.20	102,000	10.20
Kaushalya Energy Private Limited	10.00	95,500	9.55	95,500	9.55
		<u>299,500</u>	<u>29.95</u>	<u>299,500</u>	<u>29.95</u>
		<u>299,500</u>	<u>29.95</u>	<u>299,500</u>	<u>29.95</u>
B) Investments in associates (carried at cost)					
Unquoted Investments (all fully paid)					
Investments in Equity Instruments of					
Kaushalya Township Private Limited	10.00	317,357	155.08	317,357	155.08
Kaushalya Nirman Private Limited	10.00	46,000	19.40	46,000	19.40
Orion Abasaan Private Limited	10.00	29,000	10.90	29,000	10.90
		<u>392,357</u>	<u>185.38</u>	<u>392,357</u>	<u>185.38</u>
		<u>691,857</u>	<u>215.33</u>	<u>691,857</u>	<u>215.33</u>
C) Investments in equity instruments (carried at fair value through Other Comprehensive Income)					
Total Investments carrying value					
Unquoted Investments (all fully paid)					
Investments in Equity Instruments of:					
Balaji Turnkey Projects Solution Private Limited*	10.00	-	-	228,600	514.34
Enlightened Projects Limited*	10.00	195,500	132.87	195,500	293.25
Orkay Engineering Limited*	10.00	853,000	378.06	853,000	426.50
Flare Realty Engineering Private Limited*	10.00	2,600	0.09	2,600	0.26
		<u>1,051,100</u>	<u>511.02</u>	<u>1,279,700</u>	<u>1,234.35</u>
Investments in Preference Shares of					
Subsidiary					
Investments in 10% Non-cumulative Redeemable Preference Shares of:					
Bengal KDC Housing Development Limited	10.00	10,973,283	1,097.33	10,973,283	1,097.33
Associates					
Investments in 10% Non-cumulative Redeemable Preference Shares of:					
Kaushalya Township Private Limited	10.00	3,498,630	1,994.22	3,498,630	1,994.22
Kaushalya Nirman Private Limited	10.00	879,968	510.38	879,968	510.38
Orion Abasaan Private Limited	10.00	1,985,740	1,092.16	1,985,740	1,092.16
		<u>17,337,621</u>	<u>4,694.09</u>	<u>17,337,621</u>	<u>4,694.09</u>
		<u>18,388,721</u>	<u>5,205.11</u>	<u>18,617,321</u>	<u>5,928.44</u>
			<u>5,420.44</u>		<u>6,143.77</u>

Aggregate amount of unquoted investments

* Although, the Company holds more than 20% of the shareholding of the above mentioned companies but does not have significant influence over the same, accordingly the company has applied Ind AS 109: Financial Instruments for recognition and measurement of investments in the above mentioned companies.

Notes forming part of the Financial Statements (contd.)

	As at 31.03.2020 ₹ in lakhs	As at 31.03.2019 ₹ in lakhs
7 Loans & Advances (Non Current)		
(Unsecured, considered good)		
Security deposits (carried at amortised cost)	1,198.95	245.54
Less: Loss allowance	(933.99)	(245.40)
Deposits with govt authorities	0.80	0.80
	265.76	0.94
8 Deferred tax assets (net)		
Deferred tax assets	622.93	596.56
Deferred tax liabilities	(22.11)	(29.05)
	600.82	567.51

For the year ended 31.03.2020

	Opening balance ₹ in lakhs	Recognised in profit and loss ₹ in lakhs	Closing Balance ₹ in lakhs
Deferred tax (liabilities)/assets in relation to:			
Property, plant and equipment	(29.05)	(6.94)	(22.11)
Brought forward tax losses	594.36	(26.37)	620.73
Provision for employee benefits	2.20	—	2.20
	567.51	(33.31)	600.82

For the Year ended 31.03.2019

Deferred tax (liabilities)/assets in relation to:	(35.35)	(6.30)	(29.05)
Property, plant and equipment	—	(594.36)	594.36
Brought forward tax losses	2.18	(0.02)	2.20
Provision for employee benefits	(33.17)	(600.68)	567.51

Deferred tax asset has been recognised on brought forward tax losses in the current year and previous year. This is on account of the fact that recognition criteria of Deferred tax of has been met in light of the significant developments regarding restructuring of loans in the current year.

	As at 31.03.2020 ₹ in lakhs	As at 31.03.2019 ₹ in lakhs
9 Income tax assets (net of provision)		
At beginning of year	608.31	576.11
Advance tax paid / (refunded)	(31.80)	32.20
Provision offset against advance taxes	0.40	—
At end of year- Advance tax/ (Provision for Tax)	576.91	608.31
10 Inventories (At lower of cost and net realisable value)		
a) Work in progress (At lower of cost and net realisable value)	41.04	41.04
b) Raw materials (At lower of cost and net realisable value)	5.26	5.84
	46.30	46.88
11 Trade receivables (Current)		
Trade receivables	2,578.50	2,578.51
Less: Allowance for Expected credit losses	(1,201.20)	(1,200.00)
	1,377.30	1,378.51
Details for trade receivables:		
(a) Receivables considered good - Secured;	—	—
(b) Receivables considered good - Unsecured;	1,190.95	2.81
(c) Receivables which have significant increase in Credit Risk;	—	—
(d) Receivables - credit impaired	1,387.55	2,575.70
Less: Allowance for Expected credit losses	(1,201.20)	(1,200.00)
	1,377.30	1,378.51
Movement in the expected credit loss allowance		
Balance at beginning of the year	(1,200.00)	(4,000.00)
Expected credit loss allowance created on trade receivables (Net), calculated at lifetime expected credit losses.	(1.20)	2,800.00
Balance at end of the year	(1,201.20)	(1,200.00)

Note:- There are certain contracts against which litigations are pending with various forums for dispute resolution. While creating provision for expected credit loss, the same has been considered.

Notes forming part of the Financial Statements (contd.)

12 Cash and bank balances

a) Cash and cash equivalents

i) Cash in hand	1.46	6.88
ii) Balances with banks		
In current accounts	11.26	7.63

Total cash and cash equivalents

12.72	14.51
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b) Other bank balances

i) In deposit account (Unencumbered)	—	10.04
ii) In deposit account (held as Margin/against Earnest Money Deposit/Performance Security/Others)	30.86	27.91

Total other balances with bank

30.86	37.95
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Total cash and bank balances

43.58	52.46
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Included above

i) Earmarked balance held as Margin/ against Earnest Money Deposit/Performance Security/Others	30.86	27.91
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13 Loans and advances (Current)

a) Security Deposits	307.00	1,273.00
Less: Loss Allowance	—	(357.34)
b) Advance to staff	0.78	1.32
	307.78	916.98

14 Other Financial Assets (Current)

a) Interest accrued on financial assets carried at amortised cost	3.81	3.26
b) Other receivables	383.18	—
	386.99	3.26

15 Other current assets

a) Other Advances	0.98	68.65
	0.98	68.65

16 Share capital

Authorised:

3,50,00,000 Equity Shares of ₹ 10 each (as at March 31, 2019 : 3,50,00,000 Equity Shares of ₹. 10/- each)	3,500.00	3,500.00
	3,500.00	3,500.00

Issued, Subscribed and fully paid up:

3,46,30,630 Equity Shares of ₹ 10 each (as at March 31, 2019 : 3,46,30,630 Equity Shares of ₹ 10/- each)	3,463.06	3,463.06
	3,463.06	3,463.06

Reconciliation of Number of shares and amount outstanding at the beginning and end of the reporting period

	For the year ended 31.03.2020		For the year ended 31.03.2019	
	No. of Shares	Amount ₹ in lakhs	No. of Shares	Amount ₹ in lakhs
Equity shares				
Issued, subscribed and fully paid up:				
At beginning and end of the year	34,630,630	3,463.06	34,630,630	3,463.06

Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at 31.03.2020		As at 31.03.2019	
	No. of Shares	%	No. of Shares	%
Mahanti Engineers Pvt. Ltd.	50,82,600	14.68%	50,82,600	14.68%
Sunkissed Merchandise Pvt. Ltd.	50,22,900	14.50%	50,22,900	14.50%
Keleenworth Marketing Pvt. Ltd.	43,36,350	12.52%	43,36,350	12.52%

Rights, preferences and restrictions attached to shares

Equity Shares

The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is entitled for one vote per share held. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing annual general meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are entitled to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to the number of equity shares held by the shareholders..

Notes forming part of the Financial Statements (contd.)

	As at 31.03.2020 ₹ in lakhs	As at 31.03.2019 ₹ in lakhs
17 Other Equity		
a) Securities premium	4,793.85	4,793.85
b) General reserve	484.87	484.87
c) Retained Earnings	(4,503.47)	(3,956.49)
d) Investment revaluation reserve	(208.99)	-
	566.26	1,322.23
a) Securities premium reserve		
Balance as at the beginning and end of the year	4,793.85	4,793.85
Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of Section 52 of the Companies Act, 2013		
b) General reserve - Balance brought forward		
Balance as at the beginning and end of the year	484.87	484.87
Under the erstwhile Indian Companies Act, 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn though the Company may transfer such percentage of its profits for the financial year as it may consider appropriate. Declaration of dividend out of such reserve shall not be made except in accordance with rules prescribed in this behalf under the Act.		
c) Retained Earnings		
Balance as at the beginning of the year	(3,956.49)	(6,209.13)
Profit/ (loss) for the year	(546.98)	2,252.64
Balance as at the end of the year	(4,503.47)	(3,956.49)
Retained Earnings are the profits and gains that the Company has earned till date and adjustments done on transition to Ind AS, less any transfer to general reserve, dividends or other distributions paid to shareholders.		
d) Investment revaluation reserve		
Balance as at the beginning of the year	-	-
Changes during the year	(208.99)	-
Balance as at the end of the year	(208.99)	-
The Company has elected to recognise changes in the fair value of certain investments in equity instruments in Other Comprehensive Income. These changes are accumulated within the FVOCI equity investments reserve within equity. The Company transfers amounts from this reserve to Retained Earnings when the relevant equity shares are derecognised.		
18 Provisions		
a) Provision for employee benefits (Gratuity) [Refer Note 33.02]	8.46	8.46
	8.46	8.46
19. Current Borrowings		
A. Secured - at amortised cost		
a) Repayable on demand		
a) From banks	2,990.06	3,146.61
Total secured borrowings	2,990.06	3,146.61
B. Un Secured - at amortised cost		
a) Unsecured loans from group companies	966.49	737.91
Total unsecured borrowings	966.49	737.91
Total borrowings	3,956.55	3,884.52
20 Trade Payables		
a) Total outstanding dues of micro enterprises and small enterprises	-	-
b). Total outstanding dues of creditors other than micro enterprises and small enterprises	1,063.10	1,120.45
Total trade payables	1,063.10	1,120.45

Note:- The company does not have any outstanding dues to micro, small and medium enterprise for more than 45 days during the period and as on March 31, 2020 since it has not received any declaration/notice/letters from its creditors certifying or indicating them as Micro Small and Medium Enterprises.

Notes forming part of the Financial Statements (contd.)

	As at 31.03.2020 ₹ in lakhs	As at 31.03.2019 ₹ in lakhs
21 Other financial liabilities		
Security Deposits	56.41	77.44
	56.41	77.44
22 Other Current Liabilities		
a) Advance received from customers	230.66	230.66
b) Advance from Joint Venture	89.65	93.39
c) Employee recoveries and employer's contributions	0.10	0.18
d) Statutory dues	40.68	77.08
Total other liabilities	361.09	401.31
	For the year ended 31.03.2020 ₹ in lakhs	For the Year ended 31.03.2019 ₹ in lakhs
23 Revenue from operations		
a) Contracts receipts	—	—
b) Receipts from hotel	11.68	15.42
c) Revenue from agricultural business	6.37	7.05
Revenue from Operations	18.05	22.47
24 Other income		
a) Interest income on financial assets carried at amortised cost		
i) From fixed deposits	2.50	2.20
b) Liabilities/provision no longer required written back	78.93	6.85
c) Gain on settlement of loan with SBI	—	2,556.43
d) Miscellaneous income	0.04	37.33
Total other income	81.47	2,602.81
The company had reached a settlement with Alchemist Asset Reconstruction Company Ltd. In respect of loan taken over by them from State bank of India. Subsequently, after full and final payment of the settled amount in this respect, the company has received a "No Dues" from them as it relates to the amount of debt of ₹ 2926.43 Lakhs. Subsequently, the company has written back the amount to the tune of ₹ 2,556.43 Lakhs in the F.Y. 2018-19.		
25 Cost of materials consumed		
Raw materials consumed		
Opening stock of material	5.84	7.30
Add: Purchases	3.58	3.53
Less: Closing stock of material	5.26	5.84
Total cost of materials consumed	4.16	4.99
26 Changes in inventories of Finished Goods and Work in progress		
Inventories at the beginning of the year		
Work-in-progress	41.04	41.04
	41.04	41.04
Inventories at the end of the year		
Work-in-progress	41.04	41.04
	41.04	41.04
Net (increase)/decrease in inventories	—	—

Notes forming part of the Financial Statements (contd.)

	For the year ended 31.03.2020 ₹ in lakhs	For the Year ended 31.03.2019 ₹ in lakhs
27 Employee benefits expense		
a) Salaries and wages, including bonus	13.40	14.56
b) Contribution to provident and other funds	0.19	0.20
c) Workmen and staff welfare expenses	0.45	0.27
d) Director's Remuneration	11.40	11.40
Total employee benefits expense	25.44	26.43
28 Finance costs		
a) Interest expense on borrowings carried at amortised cost	69.62	57.94
Total finance costs	69.62	57.94
29 Depreciation expense		
a) Depreciation on Property, plant and equipment (Refer Note 04)	42.13	43.59
Total depreciation	42.13	43.59
30 Other expenses		
a) Consumption of stores, spare parts and loose tools	1.79	0.65
b) Repairs to buildings	0.60	1.81
c) Repairs to plant and machinery	1.45	0.01
d) Power and fuel	0.32	0.37
e) Rates, taxes and licenses	8.49	(10.55)
f) Electricity expenses	2.80	2.84
g) Insurance charges	0.13	0.04
h) Cultivation expenses	2.38	1.25
i) Selling and distribution expenses	0.89	0.92
j) Legal and professional fee	16.53	40.56
k) Travelling and conveyance expenses	3.48	2.75
l) Telephone expenses	1.60	1.57
m) Directors' sitting fees	0.94	1.18
n) Printing and stationery	1.70	1.97
o) Audit fees [Note 29.1]	1.18	1.18
p) Rent paid	6.05	6.43
q) Sundry balances written off	69.15	13.53
r) Loss Allowance on security deposits	331.25	602.74
s) Loss Allowance for trade receivables	1.20	165.80
t) Loss on sale of shares	81.17	—
u) Other general expenses	5.36	5.32
Total other expenses	538.46	840.37

Notes forming part of the Financial Statements (contd.)

	For the year ended 31.03.2020 ₹ in lakhs	For the Year ended 31.03.2019 ₹ in lakhs
30.1 Audit fee includes payment to statutory auditor towards:		
i) Statutory audit fee	1.18	1.18
31 Income tax recognised in profit and loss		
Current tax		
In respect of the current year	-	-
In respect of prior years	-	-
	<u>-</u>	<u>-</u>
Deferred tax		
In respect of the current year	(33.31)	(600.68)
	<u>(33.31)</u>	<u>(600.68)</u>
The tax expense for the year can be reconciled to the accounting profit (loss) as follows:		
Profit / (Loss) before tax for the year	(580.29)	1,651.96
Income tax expense calculated at 26.00% on above	(150.88)	425.38
Effect of carried forward losses	117.57	(1,026.06)
Tax expense as per Income tax Act, 1961	<u>(33.31)</u>	<u>(600.68)</u>
32 Earnings per share (in Rupees)		
Basic and diluted earnings per share		
The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows:		
Profit/ (loss) for the year	(546.98)	2,252.64
Profit/ (loss) attributable to the Equity Shareholders (A)	(546.98)	2,252.64
Weighted average number of equity shares outstanding (B)	34,630,630	34,630,630
Face value of Equity shares in Rupees	10.00	10.00
Basic and diluted earnings per share (A / B) (Rs.)	(1.58)	6.50

The Company is not having any potential ordinary shares which are dilutive in nature

Notes forming part of the Financial Statements (contd.)

	As at 31.03.2020 ₹ in lakhs	As at 31.03.2019 ₹ in lakhs
33 Additional information to the Financial Statements		
33.01 Contingent Liabilities		
1 Claims not acknowledged as debts		
Income Tax Demand (Assessment Year 2007-08)	20.22	20.63
Income Tax Demand (Assessment Year 2009-10)	20.19	20.19
Income Tax Demand (Assessment Year 2010-11)	37.61	37.61
Income Tax Demand (Assessment Year 2011-12)	1.91	1.91
Income Tax Demand (Assessment Year 2012-13)	59.26	59.26
Income Tax Demand (Assessment Year 2013-14)	332.74	332.74
Income Tax Demand (Assessment Year 2014-15)	513.89	513.89
Income Tax Demand (Assessment Year 2017-18)	0.05	NIL
The Central Excise Act, 1944, Service Tax	NIL	896.85
The WB VAT Act, 2003, VAT	817.10	NIL
The WB VAT Act, 2003, VAT	6.60	NIL
The WB VAT Act, 2003, VAT	0.35	NIL
The WB VAT Act, 2003, VAT	69.48	69.48
	1,879.39	1,952.55

Future cash outflows in respect of above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities.

	As at 31.03.2020 ₹ in lakhs	As at 31.03.2019 ₹ in lakhs
33.02 Capital and other commitments		
a) Capital commitments		
Estimated value of contracts remaining to be executed on capital account	NIL	NIL

33.03 Contingent assets

- a) Dispute between the Company's client NPCC Ltd. and the principal NTPC Ltd. was settled in the favour of NPCC Ltd. to the tune of ₹ 8.55 Crores (Contingent Assets ₹ 5.70 crores) by the Permanent Machinery of Arbitration (P.M.A.) which is on and above the amount receivable from them. The principal, NTPC Ltd. has preferred an appeal before the Secretary P.M.A. which is pending disposal. As per terms of MOU with NPCC Ltd., the claim once received by NPCC Ltd. shall be passed on to the Company after deduction of margins of NPCC Ltd. and tax amounts.
- b) Dispute between the Company and National Highways Authority of India (NHAI) was settled in favour of the Company through arbitration. NHAI had preferred an appeal against the arbitration award in the Hon'ble Calcutta High Court which is pending disposal. An interim amount of ₹ 0.48 crore was received by the company towards the award as it was not appealed against by NHAI. The remaining award amount of ₹ 6.00 Crores (Contingent Assets ₹ 4.98 Crores) plus interest is pending in appeal which is in and above of amount receivable from them. Moreover, NHAI has deposited a substantial amount of the award with the Hon'ble Calcutta High Court and deposited a portion of it in a separate interest bearing deposit. Full and final settlement for the dispute is still pending as of 31st March, 2020.

33.04 Disclosure on debt restructuring and settlement of loans taken from scheduled commercial banks

- (i) The debts of Indian Overseas Bank (IOB) and State Bank of India (SBI) were taken over by Alchemist Asset Reconstruction Company (Trust VII) (ARC). The company has reached a settlement of its debts with respect to the amount taken over by ARC from SBI and restructuring of the debts with respect to the amount taken over from IOB by the ARC. The settlement amount with respect to SBI of Rs. 370.00 lakhs has been paid by the company to the ARC and the restructured amount relating to IOB of Rs. 1,302.50 is to be paid by the company to the ARC in quarterly instalments as per the restructuring schedule till March'24. After that company has to pay NCD of Rs.10 crores to be issued by ARC.
- (ii) The company has not yet recognised any gain/ notional gain on restructuring/ settlement of loan, pending filling of consent application/ application reflecting restructuring/settlement by Alchemist Asset Reconstruction Company Limited with the Debt Recovery Tribunal in the cases pending thereat. As per restructuring agreement, In case of failure to make payment as per schedule given in Annexure-B or in case of failure to comply with any other terms & conditions specified in Annexure-A, this restructuring shall stand revoked without any notice and any amount paid by you shall be forfeited and adjusted towards total dues.

Notes forming part of the Financial Statements (contd.)

	For the year ended 31.03.2020 ₹ in lakhs	For the Year ended 31.03.2019 ₹ in lakhs
34 Disclosures under Indian Accounting Standards		
34.01 Employee Benefits		
Defined Contribution plans		
The Company has not transferred any amount towards long term defined benefit obligations as the management estimates that provision for retirement benefits is sufficient. Further the company has made contribution to following defined contribution plans:-		
Provident and other funds	0.19	0.20
Total	0.19	0.20
Defined Benefit Plans		
The Company provided the following employee benefits		
Funded : Provident Fund		
Non Funded: Gratuity		
34.02 Details of the Gratuity Plan are as follows		
Description	2019-20 ₹ in lakhs	2018-19 ₹ in lakhs
1. Reconciliation of opening and closing balances of obligation		
a. Obligation as at beginning of the year	8.46	8.46
b. Current service cost	—	—
c. Interest cost	—	—
d. Liabilities assumed from associate companies for transferred employees	—	—
e. Actuarial (gain)/loss	—	—
f. Benefits paid	—	—
g. Obligation as at end of the year	8.46	8.46
2. Change in fair value of plan assets		
a. Fair value of plan assets as at beginning of the year	—	—
b. Expected return on plan assets	—	—
c. Assets transferred from associate companies for transferred employees	—	—
d. Actuarial gain/(loss)	—	—
e. Contributions made by the company	—	—
f. Benefits paid	—	—
g. Fair value of plan assets as at end of the year	—	—
3. Reconciliation of fair value of plan assets and obligations		
a. Present value of obligation	8.46	8.46
b. Fair value of plan assets	—	—
c. Amount recognised in the balance sheet Asset/(Liability)	(8.46)	(8.46)
4. Expenses recognised during the year		
a. Current service cost	—	—
b. Interest cost	—	—
c. Expected return on plan assets	—	—
d. Actuarial (gain)/loss	—	—
e. Expenses recognised during the year	—	—
6. Assumptions	%	%
a. Discount rate (per annum)	—	—
b. Rate of escalation in salary	—	—

Note:- Liability for defined benefit obligations has to be created on the basis of Actuarial valuation report on Employees benefits. In the absence of such report, no treatment for defined benefit obligation has been done.

Notes forming part of the Financial Statements (*contd.*)

34.03 Segment Reporting

The company is engaged in business of construction contracts of Infrastructure and Hotel. In accordance with Ind AS-108 “Operating Segments” the company has presented segment information on the basis of its consolidated financial statements which form part of this report.

In the Company’s operations within India there is no significant difference in the economic conditions prevailing in the various states of India. Further, the company does not have any revenue from foreign. Hence disclosures on geographical segment are not applicable.

35. Financial instruments

35.01 Capital management

The Company manages its capital to ensure that entities will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Capital structure of the Company consists of net debt (borrowings as detailed in notes 13 offset by cash and bank balances) and the total equity of the Company.

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 adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, long term-term borrowings, short-term borrowings, less cash and short-term deposits.

35.02 Financial risk management objectives and policies

The Company’s principal financial liabilities, other than derivatives, comprise loans and borrowings and trade and other payables. The Company’s principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Company is exposed to market risk, credit risk and liquidity risk.

The Company seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company’s policies approved by the board of directors, which provide written principles on foreign exchange risks, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments. The Company does not enter into or trade financial instruments including derivative financial instruments, for speculative purposes.

The corporate treasury management reports on quarterly basis to the board of directors that monitors risks and policies implemented to mitigate risk exposures.

35.02.01 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company’s activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company enters into derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk.

35.02.02 Credit risk management

Credit risks refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The Company’s Board approved financial risk policies comprise liquidity, currency, interest rate and counterparty risk. Financial instruments that are subject to concentrations of credit risk, principally consist of trade receivables, finance receivables, loans and advances and derivative financial instruments. None of the financial instruments of the Company result in material concentrations of credit risks. The Company does not engage in speculative treasury activity but seeks to manage risk and optimise interest and commodity pricing through proven financial instruments.

The credit risk on bank balances and derivative financial instruments is limited because the counterparties are banks with high credit ratings.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. On going credit evaluation is performed on the financial condition of accounts receivable.

The credit risk on bank balances is limited because the counterparties are banks with high credit ratings.

35.02.03 Interest Rate Risk Management

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market interest rates. Currently the company does not have any debt and hence it is not exposed to any risk of changes in market interest rates.

Notes forming part of the Financial Statements (contd.)

35.02.04 Credit risk management

Credit risks refers to risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The Company's Board approved financial risk policies comprise liquidity, currency, interest rate and counterparty risk. Financial instruments that are subject to concentrations of credit risk, principally consist of trade receivables, finance receivables and loans and advances. None of the financial instruments of the Company result in material concentrations of credit risks. The Company does not engage in speculative treasury activity.

The credit risk on bank balances is limited because the counterparties are banks with high credit ratings.

On going credit evaluation is performed on the financial condition of accounts receivable.

35.02.05 Liquidity risk management

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company has obtained fund and non-fund based working capital lines from various banks. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Liquidity and interest risk tables

The following tables detail the maturity profile of Company's non-derivative financial liabilities with agreed repayment period. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

		₹ in lakhs		
	<u>Current/ Non Current</u>	<u>Carrying amount</u>	<u>Less than 3 month</u>	<u>3 month to 1 year</u>
As at 31.03.2020				
Borrowings	Current	3,956.55	-	3,956.55
Trade payables	Current	1,063.10	1,063.10	-
		<u>5,019.65</u>	<u>1,063.10</u>	<u>3,956.55</u>
As at 31.03.2019				
Borrowings	Current	3,884.52	-	3,884.52
Trade payables	Current	1,120.45	1,120.45	-
		<u>5,004.97</u>	<u>1,120.45</u>	<u>3,884.52</u>

Notes forming part of the Financial Statements (*contd.*)

36 Financial instruments

36.01 Fair value measurements

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 3.13 to 3.15.

Financial assets and Liabilities

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosure are required):

As at March 31, 2020						
	Current/ Non Current	Fair Value through Other Profit or Loss	Fair Value thorough OCI	Amortised Cost	Total Carrying Value	Total Fair Value
Financial Assets:						
Investments in equity instruments	Non Current	-	726.35	-	726.35	726.35
Investments in preference shares	Non Current	4,694.09	-	-	4,694.09	4,694.09
Loans	Non Current	-	-	265.76	265.76	265.76
Trade receivables	Current	-	-	1,377.30	1,377.30	1,377.30
Cash and cash equivalent	Current	-	-	12.72	12.72	12.72
Other balances with Bank	Current	-	-	30.86	30.86	30.86
Loans	Current	-	-	307.78	307.78	307.78
Other financial assets	Current	-	-	386.99	386.99	386.99
Total		4,694.09	726.35	2,381.41	7,801.85	7,801.85
Financial Liabilities						
Borrowings	Current	-	-	3,956.55	3,956.55	3,956.55
Trade payables	Current	-	-	1,063.10	1,063.10	1,063.10
Other financial liabilities	Current	-	-	56.41	56.41	56.41
Total		-	-	5,076.06	5,076.06	5,076.06
As at March 31, 2019						
	Current/ Non Current	Fair Value through Other Profit or Loss	Fair Value thorough OCI	Amortised Cost	Total Carrying Value	Total Fair Value
Financial Assets:						
Investments in equity instruments	Non Current	-	1,449.68	-	1,449.68	1,449.68
Investments in preference shares	Non Current	4,694.09	-	-	4,694.09	4,694.09
Loans	Non Current	-	-	0.94	0.94	0.94
Trade receivables	Current	-	-	1,378.51	1,378.51	1,378.51
Cash and cash equivalent	Current	-	-	14.51	14.51	14.51
Other balances with Bank	Current	-	-	37.95	37.95	37.95
Loans	Current	-	-	916.98	916.98	916.98
Other financial assets	Current	-	-	3.26	3.26	3.26
Total		4,694.09	1,449.68	2,352.15	8,495.92	8,495.92
Financial Liabilities						
Borrowings	Current	-	-	3,884.52	3,884.52	3,884.52
Trade payables	Current	-	-	1,120.45	1,120.45	1,120.45
Other financial liabilities	Current	-	-	77.44	77.44	77.44
Total		-	1,449.68	5,082.41	5,082.41	5,082.41

Notes forming part of the Financial Statements (contd.)

Fair Value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 — Inputs are other than quoted prices included within 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 are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

₹ in lakhs

As at March 31, 2020				
	Level 1	Level 2	Level 3	Total
Financial assets:				
Investments in equity instruments	—	—	726.35	726.35
Investments in preference shares	—	—	4,694.09	4,694.09
	—	—	5,420.44	5,420.44
As at March 31, 2019				
	Level 1	Level 2	Level 3	Total
Financial assets:				
Investments in equity instruments	—	—	1,449.68	1,449.68
Investments in preference shares	—	—	4,694.09	4,694.09
	—	—	6,143.77	6,143.77

37 Related party transactions

List of related parties and relationship

Name of the related party	Nature of Relationship	Business	Country of Incorporation	Incorporation details
KDC Nirman Limited	Subsidiaries	Real estate development	India	04.03.2008
Bengal KDC Housing Development Limited	Subsidiaries	Housing projects	India	28.06.2006
Kaushalya Energy Private Limited	Subsidiaries	Generation and distribution of power	India	15.09.2008
Azur Solar KDC Private Limited	Step Down Subsidiary	Generation and Distribution of Solar Power	India	19.05.2010
Kaushalya Nirman Private Limited	Associates	Real estate development	India	05.09.2006
Orion Abasaan Private Limited	Associates	Housing projects	India	05.09.2006
Kaushalya Township Private Limited	Associates	Real estate development	India	05.09.2006
KIDCO NACC JV	Joint Venture	Construction of Small Hydro Power Project	India	01.07.2009

Particulars	KMP & Close members of their family	Subsidiaries/ Associates/ JV	Total	Outstanding as on March 31, 2020	Outstanding as on March 31, 2019
Remuneration to Key Managerial Person					
Mahesh Mehra, Whole Time Director	11.40	-	11.40	0.85	-
Karan Mehra, Son of Mahesh Mehra	4.00	-	4.00	-	-
Tarak Nath Mishra, CFO	5.28	-	5.28	-	-
Sanjay Lal Gupta, Company Secretary	2.10	-	2.10	-	-
Total	22.78	-	22.78	0.85	-

Notes forming part of the Financial Statements (contd.)

Particulars	KMP & Close members of their family	Subsidiaries/ Associates/ JV	Total	Outstanding as on March 31, 2020	Outstanding as on March 31, 2019
Previous Year					
Maresh Mehra, Whole Time Director	11.40	-	11.40	-	-
Kartik Mehra, Son of Maresh Mehra	1.20	-	1.20	-	-
Karan Mehra, Son of Maresh Mehra	4.80	-	4.80	-	-
Tarak Nath Mishra, CFO	5.28	-	5.28	-	0.44
Sanjay Lal Gupta, Company Secretary	2.10	-	2.10	-	0.18
Total	24.78	-	24.78	-	0.62
Sitting Fee to directors					
Asoke Das	0.29	-	0.29	-	-
Sandip Sarkar	0.21	-	0.21	-	-
Minoti Nath	0.45	-	0.45	-	-
Total	0.94	-	0.94	-	-
Previous Year					
Asoke Das	0.44	-	0.44	-	-
Anil Kumar Agarwal	0.30	-	0.30	-	-
Minoti Nath	0.44	-	0.44	-	-
Total	1.18	-	1.18	-	-
Rent Paid					
Neeru Mehra	6.00	-	6.00	0.45	-
Total	6.00	-	6.00	0.45	-
Previous Year					
Neeru Mehra	6.00	-	6.00	-	-
Total	6.00	-	6.00	-	-
Loan taken from subsidiary					
Bengal KDC Housing Development Limited	-	160.69	160.69	953.58	-
KDC Nirman Limited	-	1.10	1.10	12.90	-
Total	-	161.79	161.79	966.48	-
Previous Year					
Bengal KDC Housing Development Limited	-	156.00	156.00	-	726.00
KDC Nirman Limited	-	11.91	11.91	-	11.91
Total	-	167.91	167.91	-	737.91
Advance Repaid					
Previous Year					
Azur Solar KDC Private Limited	-	13.26	13.26	-	-
Total	-	13.26	13.26	-	-
Advance Repaid					
Kidco NACC JV	-	3.74	3.74	89.65	-
Total	-	3.74	3.74	89.65	-
Previous Year					
Kidco NACC JV	-	-	-	-	93.39
Total	-	-	-	-	93.39

Notes forming part of the Financial Statements (contd.)

	As at 31.03.2020 ₹ in lakhs	As at 31.03.2019 ₹ in lakhs
38 Disaggregation of Revenue from contracts with customers		
India		
Revenue from operations		
a) Contracts receipts	-	-
b) Receipts from hotel	11.68	15.42
c) Revenue from agricultural business	6.37	7.05
	<u>18.05</u>	<u>22.47</u>
Contract Assets		
Trade receivables	<u>1,377.30</u>	<u>1378.51</u>
Contract Liabilities		
Advance from customers	<u>-</u>	<u>-</u>

39 Approval of financial statements

The financial statements were approved for issue by the board of directors on 31st July, 2020

As per terms of our report attached.

For and on behalf of the Board of Directors

For Monu Jain & Company

Firm Regn. No. 327900E

Chartered Accountants

Mahesh Mehra
Whole-time Director

Tarak Nath Mishra
CFO

Sanjay Lal Gupta
Company Secretary

Monu Jain

Partner

Membership No. 302721

Place : Kolkata

Date : 31st July, 2020

Consolidated Financials

Independent Auditors' Report

To The Members of

KAUSHALYA INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED

Report on the Consolidated Ind AS Financial Statements

OPINION

We have audited the accompanying Consolidated Financial Statements of KAUSHALYA INFRASTRUCTURE DEVELOPMENT CORPORATION LTD. (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and joint ventures comprising of the consolidated Balance sheet as at March 31,2020, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement and the consolidated statement of Changes in Equity for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint ventures, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013, as amended ("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 consolidated state of affairs of the Group, its associates and joint ventures as at March 31,2020, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for

the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group 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 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 Consolidated Financial Statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements for the financial year ended March 31,2020. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Consolidated Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Consolidated Financial Statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Consolidated Financial Statements.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the

Independent Auditor's Report (*contd.*)

Annual report, but does not include the Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated 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 Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Consolidated 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.

RESPONSIBILITIES OF MANAGEMENT FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates and joint ventures 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 the 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 Consolidated Financial Statements that give a true

and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the Group and of its associates and joint ventures 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 Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associates and joint ventures are also responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Consolidated 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 Consolidated 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 Consolidated 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

Independent Auditor's Report (*contd.*)

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 Holding Company has adequate internal financial controls system 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 ability of the Group and its associates and joint ventures 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 Consolidated 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 auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and joint ventures of which we are the independent auditors and whose financial information we have audited, to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are

the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors 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 Consolidated Financial Statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's 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.

OTHER MATTER

The Consolidated Ind AS financial statements includes 4 subsidiaries which reflect total assets of 8,446.19 lakhs as at March 31, 2020, total revenues of 128.61 lakhs and net cash out flow of 1.32 lakhs for the year then ended and the financial statements of an associate which reflect Group's share of net loss of 114.29 lakhs for the year ended on March 31, 2020, which have been audited by us.

Our opinion above on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the

Independent Auditor's Report (*contd.*)

other auditors and the financial statements and other financial information certified by the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, associates and joint ventures, as noted in the 'Other Matter' paragraph we report, to the extent applicable, that:

- (a) We / the other auditors whose report we have relied upon, 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 of the aforesaid Consolidated Financial Statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements;
In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (d) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiaries, associates and joint ventures, none of the directors of the Group's companies, its associates and joint ventures incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act;
- (e) With respect to the adequacy and the operating effectiveness of the internal financial controls

over financial reporting with reference to these Consolidated Financial Statements of the Holding Company and its subsidiary companies, associate companies and joint ventures incorporated in India, refer to our separate Report in "Annexure 2" to this report;

- (f) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, associates and joint ventures incorporated in India, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Holding Company, its subsidiaries, associates and joint ventures incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associates and joint ventures, as noted in the 'Other matter' paragraph:
 - The Consolidated Financial Statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associates and joint ventures in its Consolidated Financial Statements – Refer Note 34 to the Consolidated Financial Statements;
 - Provision has been made in the Consolidated Financial Statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, associates and joint ventures incorporated in India during the year ended March 31, 2020.

For MONU JAIN & COMPANY

Firm Regn. No: 327900E

Chartered Accountants

Monu Jain

Partner

Place: Kolkata

Date: 31st July, 2020

Membership No: 302721

Consolidated Balance Sheet as at 31st March, 2020

(₹ in lakhs)

Particulars	Notes	As at 31.03.2020	As at 31.03.2019
(I) NON-CURRENT ASSETS			
a) Property, plant and equipment	4	182.15	224.13
b) Goodwill	5	0.17	0.17
c) Investment property	6	266.07	266.07
		448.39	490.37
d) Investments in associates and subsidiaries	7	—	114.41
e) Financial assets			
i) Investments	7	4,107.87	4,833.81
ii) Loans	8	534.67	448.71
f) Deferred tax asset (net)	19	604.32	575.26
g) Income tax assets (net)	9	576.91	608.41
		6,272.16	7,070.97
(2) Current Assets			
a) Inventories	10	46.30	46.88
b) Financial assets			
i) Trade receivables	11	1,377.30	1,378.51
ii) Cash and cash equivalents	12	16.56	17.88
iii) Other balances with Bank	12	33.06	40.15
iv) Loans and advances	13	312.78	921.98
(v) Other financial assets	14	387.05	3.26
c) Other current assets	14A	0.98	68.65
		2,174.03	2,477.31
TOTAL ASSETS		8,446.19	9,548.28
(II) EQUITY AND LIABILITIES			
1) Equity			
a) Equity share capital	15	3,463.06	3,463.06
b) Other equity	16	424.31	1,275.46
		3,887.37	4,738.52
Non Controlling Interest	17	66.17	41.81
Total Equity		3,953.54	4,780.33
2) Non-current liabilities			
a) Provisions	18	8.46	8.46
		8.46	8.46
3) Current liabilities			
a) Financial liabilities			
i) Borrowings	20	2,990.06	3,146.61
ii) Trade payables	21		
— Total outstanding dues to Micro, Small and Medium Enterprise		—	—
— Total outstanding dues to creditors other than Micro, Small and Medium Enterprise		1,070.56	1,128.60
iii) Other financial liabilities	22	57.41	77.44
b) Income tax liabilities (net)	23	4.62	4.79
c) Other current liabilities	23A	361.54	402.05
		4,484.19	4,759.49
TOTAL EQUITY AND LIABILITIES		8,446.19	9,548.28

See accompanying notes forming part of the financial statements

As per terms of our report attached.

For and on behalf of the Board of Directors

For Monu Jain & Company

Firm Regn. No. 327900E

Chartered Accountants

Monu Jain

Partner

Membership No. 302721

Place : Kolkata

Date : 31st July, 2020

Mahesh Mehra
Whole-time Director

Tarak Nath Mishra
CFO

Sanjay Lal Gupta
Company Secretary

Consolidated Statement of Profit and Loss for the year ended 31st March, 2020

		(₹ in lakhs)	
Particulars	Notes	For the year ended 31st March, 2020	For the year ended 31st March, 2019
1) Revenue from operations	24	18.05	22.47
2) Other income	25	110.56	2,640.33
3) Total Income (1) + (2)		128.61	2,662.80
4) EXPENSES			
a) Cost of materials consumed	26	4.16	4.99
b) Changes in inventories of finished goods and work in progress	27	-	-
c) Employee benefits expense	28	43.68	44.99
d) Finance costs	29	3.36	0.32
e) Depreciation expense	30	42.20	43.59
f) Other expenses	31	547.19	849.59
Total Expenses (4)		640.59	943.48
5) Profit/(loss) before share of profit / (loss) of associates and tax (3) - (4)		(511.98)	1,719.32
6) Share of profit/(loss) of associates		(114.29)	(60.63)
7) Profit/(loss) before tax (5) + (6)		(626.27)	1,658.69
8) Tax Expense	32		
a) Current tax			
i) Current tax for current year		17.85	17.64
ii) Current tax for the earlier years		0.01	0.01
b) Deferred tax			
i) Deferred tax for current year		(29.06)	(608.43)
Total tax expense (8)		(11.20)	(590.78)
9) Profit/(loss) for the year (7) - (8)		(615.07)	2,249.47
10) Other comprehensive income			
a) Items that will be reclassified to statement of profit and loss		-	-
b) Items that will not be reclassified to statement of profit and loss			
i) Changes in fair value of equity instruments		(211.60)	2.44
ii) Share of other comprehensive income of associates		(0.12)	-
iii) Income Tax relating to items above		-	-
Total other comprehensive income (10)		(211.72)	2.44
11) Total comprehensive income for the year (9) + (10)		(826.79)	2,251.91
Total Comprehensive Income Attributable to		-	-
Equity holders of the Parent		(851.15)	2,223.88
Non controlling Interest		24.36	28.03
12) Earnings per equity share:			
(Face value of share of Rs 10 each)	33		
(a) Basic		(1.78)	6.50
(b) Diluted		(1.78)	6.50

See accompanying notes forming part of the financial statements

In terms of our report attached.

For and on behalf of the Board of Directors

For Monu Jain & Company

Firm Regn. No. 327900E

Chartered Accountants

Monu Jain

Partner

Membership No. 302721

Place : Kolkata

Date : 31st July, 2020

Mahesh Mehra
Whole-time Director**Tarak Nath Mishra**
CFO**Sanjay Lal Gupta**
Company Secretary

Consolidated Cash Flow Statement for the year ended 31st March, 2020

Particulars	(₹ in lakhs)	
	For the year ended 31.03. 2020	For the year ended 31.03.2019
A. Cash Flow from Operating activities:		
Profit/Loss before tax	(511.98)	1,719.32
<i>Adjustments for:</i>		
Depreciation expense	42.20	43.59
Interest income	(31.59)	(39.72)
Loss on sale of investments in equity instruments	81.17	-
Loss Allowance on security deposits	331.25	603.26
Loss Allowance for trade receivables	1.20	165.80
Interest expenses	3.36	0.32
Liabilities/provision no longer required written back	(78.93)	(6.85)
Gain on settlement of loan with SBI	-	(2,556.43)
Operating profit/(loss) before working capital changes	(163.32)	(70.71)
<i>Adjustments for changes in operating assets/liabilities</i>		
Inventories	0.58	1.46
Trade receivables	0.01	57.27
Current financial assets	(0.07)	-
Non current financial assets	-	(0.10)
Other current assets	67.67	-
Trade Payables	20.88	(117.20)
Current financial liabilities	(20.03)	-
Loans and advances	13.13	15.80
Other current liabilities	(40.51)	29.66
Cash generated from operations	(121.66)	(83.82)
Direct taxes refunded/ (paid)	13.47	(41.71)
Net cash generated from/ (used in) operating activities	(108.19)	(125.53)
B. Cash Flows from Investing activities:		
Payments for acquisition of property, plant and equipment	(0.22)	-
Loans and advances (given) / repaid (net)	204.91	131.67
Fixed deposits (placed) / realised (net)	7.09	-
Proceeds from sale of Investments in equity instruments	50.00	-
Interest received	5.00	11.30
Net cash generated from investing activities	266.78	142.97

Consolidated Cash Flow Statement for the year ended 31st March, 2020 (Contd.)

Particulars	(₹ in lakhs)	
	For the year ended 31.03.2020	For the year ended 31.03.2019
C. Cash Flow from Financing activities:		
Proceeds/ (Repayments) of current borrowings		
– From banks	(156.55)	(72.01)
Interest paid	(3.36)	(5.79)
Net cash (used in) financing activities	(159.91)	(77.80)
Net increase/(decrease) in cash and cash equivalents	(1.32)	(60.37)
Cash and cash equivalents as at 1 April ¹	17.88	78.25
Cash and cash equivalents as at 31 March ¹	16.56	17.88

See accompanying notes forming part of the financial statements

1. Cash and cash equivalents represents cash, cheques on hand and balances with banks. (Refer Note. 13)
2. Interest accrued and converted into loan amounting to 26.59 lacs (P.Y. 28.42 lacs) being a non-cash item have not been considered above.
3. Figures in brackets represent outflows.

As per terms of our report attached.

For and on behalf of the Board of Directors

For Monu Jain & Company

Firm Regn. No. 327900E
Chartered Accountants

Mahesh Mehra
Whole-time Director

Tarak Nath Mishra
CFO

Sanjay Lal Gupta
Company Secretary

Monu Jain

Partner

Membership No. 302721

Place : Kolkata

Date : 31st July, 2020

Consolidated Statement of Changes in Equity for the year ended 31st March, 2020

A. Equity Share Capital

Particulars	Amount ₹ in lakhs
Balance as at April 1, 2018	3,463.06
Changes in equity share capital during the year	-
Balance as at March 31, 2019	3,463.06
Changes in equity share capital during the year ended	-
Balance as at March 31, 2020	3,463.06

B. Other Equity

₹ in lakhs

Statement of changes in Equity	Reserves and surplus		Retained earnings		Total Equity
	Security Premium	General Reserve	Investment Revaluation Reserve	Retained Earnings	
Balance at April 1, 2018	4,793.85	484.87	-	(6,227.14)	(948.42)
Profit for the year	-	-	-	2,223.88	2,223.88
Other Comprehensive Income	-	-	-	-	-
Balance at March 31, 2019	4,793.85	484.87	-	(4,003.26)	1,275.46
Profit for the year	-	-	-	(639.43)	(639.43)
Other Comprehensive Income	-	-	(211.72)	-	(211.72)
Balance at March 31, 2020	4,793.85	484.87	(211.72)	(4,642.69)	424.31

See accompanying notes forming part of the financial statements

As per terms of our report attached.

For and on behalf of the Board of Directors

For Monu Jain & Company

Firm Regn. No. 327900E

Chartered Accountants

Mahesh Mehra
Whole-time Director

Tarak Nath Mishra
CFO

Sanjay Lal Gupta
Company Secretary

Monu Jain

Partner

Membership No. 302721

Place : Kolkata

Date : 31st July, 2020

Notes forming part of the Consolidated Financial Statements

1. General corporate information

Kaushalya Infrastructure Development Corporation Limited (the Parent Company) is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on the Bombay Stock Exchange and National Stock Exchange. The Group is primarily engaged in executing construction contracts relating to infrastructure, real estate developments and acquisition and development and sale of land. It also carries on the business of hotel.

The Group consists of Kaushalya Infrastructure Development Corporation Limited (the Parent Company), its subsidiaries (viz. Azur Solar KDC Private Limited, Bengal KDC Housing Development Limited, KDC Nirman Limited, Kaushalya Energy Private Limited). The Group also have interest in associates (viz. Kaushalya Township Private Limited, Kaushalya Nirman Private Limited, Orion Abasaan Private Limited).

The Group's services are limited to domestic markets only.

2. Application of new and revised Ind AS

Ind ASs notified and effective from April 1, 2019

The following Ind AS has become effective from April 1, 2019:

- a. Ind AS 116 – Leases
- b. Amendments to Ind AS 12 – Income Taxes
- c. Amendments to Ind AS 19 – Employee Benefits
- d. Amendments to Ind AS 28 – Investments in Associates and Joint Ventures
- e. Amendments to Ind AS 109 – Financial Instruments

The Group had to change its accounting policies as a result of adopting Ind AS 116 - Leases, did not have any significant impact. Other amendments listed above did not have any impact on the amounts recognized in the prior periods and are not expected to significant affect the current and future period.

2.01. Basis of Consolidation

The consolidated financial statements comprise of financial statements of the Company, its subsidiaries and includes Groups share of net assets of its joint venture and associates accounted for using the equity method, explained below.

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists where the Group has power over the investee and is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power to direct the relevant activities of the investee. In assessing control, potential voting rights that is currently exercisable are taken into account. Subsidiaries are fully consolidated from the date on which control is acquired and are deconsolidated from the date control ceases. The Group combines the financial statements of the Company (parent) and its subsidiaries line by line, adding together like items of assets, liabilities, equity, income and expenses. Inter-company transactions and balances including unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Non-controlling interests in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately from the Group's equity. The interest of non-

Notes forming part of the Consolidated Financial Statements (*contd.*)

controlling shareholders may be initially measured either at fair value or at the noncontrolling interests proportionate share of the fair value of the acquirees identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if it results in the non-controlling interest having a deficit balance.

Associates

Associates are entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

An interest in an associate or joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture and are recognised initially at cost. The Group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. The consolidated financial statements include the Group's share of profits or losses and equity movements of equity accounted investees, from the date, significant influence or joint control commences until the date such significant influence or joint control ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount (including any long-term investments in the nature of net investments) is reduced to nil and the recognition of further losses is discontinued

except to the extent that the Group has an obligation or has made payments on behalf of the investee. When the Group transacts with an associate or joint venture, unrealised profits and losses are eliminated to the extent of the Group's interest in such associate or joint venture.

3. Summary of significant accounting policies

3.01 Statement of compliance

The financial statements have been prepared in accordance with Ind ASs notified under the Companies (Indian Accounting Standard) Rules, 2015, as amended, and the relevant provisions of the Companies Act, 2013 ('the Act'), as applicable.

3.02 Basis of preparation and presentation

This is a consolidated financial statements of the Group, which has been prepared under the historical cost except for certain financial instruments that are measured at fair value at end of each reporting period. Historical cost is generally based on fair value of the consideration given in exchange for goods and services. The consolidated financial statements incorporate the financial statements of the Parent Company and entities controlled by it i.e. its subsidiaries. It also includes the Group's share of profits, net assets and retained post acquisition reserves of joint arrangements and associates that are consolidated using equity method. Control is achieved when the Group is exposed to, or has rights to the variable returns of the entity and the ability to affect those returns through its power over the entity.

Wherever necessary, adjustments are made to the financial statements of subsidiaries, joint arrangements and associates to bring their accounting policies in line with those used by other members of the Group.

Notes forming part of the Consolidated Financial Statements (*contd.*)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. In these consolidated financial statements, the fair value for measurement and/or disclosure purpose is determined on such basis except for leasing transactions that are within the scope of Ind AS 17 – Leases / Ind AS 116 – Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 – Inventories or value in use in Ind AS 36 – Impairment of assets.

In addition, for financial reporting purposes, fair value measurements are categorized in to Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The consolidated Balance Sheet and the consolidated Statement of Profit and Loss

are prepared and presented in the format prescribed in the Division II of Schedule III to the Companies Act, 2013. The consolidated Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 “Statement of Cash Flows”. The disclosure requirements with respect to items in the Consolidated Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Companies Act, 2013 are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Indian Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

3.03 Use of Estimates

The preparation of consolidated financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Group to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the consolidated financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

3.04 Revenue recognition

The Group has following major sources of revenue:

- a. Construction activities
- b. Hotel
- c. Other services / activities

Revenue is measured based on the consideration to the which the Group

Notes forming part of the Consolidated Financial Statements (*contd.*)

expects to be entitled to in a contract with customer and excludes amounts collected on behalf of third parties (e.g. goods and service tax). The Group recognizes revenue when it transfers control of a product or service to a customer.

3.04.01 Construction activities

Construction activities includes long-term contracts for construction of infrastructure facilities or projects priced on a time and material basis etc. Revenues from construction activities are recognised over time using percentage of completion method. Such percentage of completion is determined as a proportion of the cost incurred for work performed to date relative to the total estimated contract costs.

The Group follows the policy of recognizing the contract revenue as soon as the work is completed, irrespective of the certification. However, whenever the work gets certified, the Group takes the certified portion of the previously uncertified revenue and deducts the same amount from the uncertified portion of the revenue of the respective financial year.

Foreseeable losses on such contracts are recognized when probable using the most likely outcome or expected value method, as the case may be, in the particular circumstance.

3.04.02 Hotel Operations

Revenue is recognised at the transaction price that is allocated to the performance obligation. Revenue includes room revenue, food and beverage sale and other services which is recognised once the rooms are occupied, food and beverages are sold and other services have been provided as per the contract with the customer.

3.04.03 Other services / activities

Revenues from agricultural activities is recognized at a point in time when the agricultural produce is sold to the customers.

Revenues from consultancy services are recognized overtime when such services are performed.

Revenue from hire charges are recognized overtime.

Revenues from maintenance contracts are recognized overtime when the maintenance services are provided to the customers.

3.04.04 Other Income

Interest: Interest income is recognized on time proportion basis taking into account the amount outstanding and the effective interest rate applicable.

3.05 Employee Benefits

3.05.01 Short-term benefits

Short term employee benefits are recognised as an expense at the undiscounted amount in the Consolidated Statement of Profit and Loss of the year in which the related service is rendered.

3.05.02 Defined retirement benefits

The cost of providing defined benefit retirement benefits are determined using the projected unit credit method. The Group provides gratuity benefits to its employees. Gratuity liabilities are not funded. Remeasurements, comprising actuarial gains and losses, return on plan assets excluding amounts included in net interest on the net benefit liability (asset) and any change in the effect of the asset ceiling (if applicable) are recognised in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in the comprehensive income are not reclassified to profit and loss

Notes forming part of the Consolidated Financial Statements (*contd.*)

but recognised directly in the retained earnings. Past service costs are recognised in profit and loss in the period in which the amendment to plan occurs. Net interest is calculated by applying the discount rate to the net defined liability or asset at the beginning of the period, taking into account of any changes in the net defined benefit liability(asset) during the period as a result of contribution and benefit payments.

Defined benefit costs which are recognised in consolidated profit and loss are categorised as follows

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements); and
- net interest expense or income; and

The retirement benefit obligation recognised in the consolidated financial statements represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reduction in future contributions to the plans.

The liability for termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

3.06 Taxation

i) Current tax

Current tax is the amount of tax payable on the taxable profit for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Taxable profit differs from 'Profit Before Tax' as reported in the Consolidated Statement of Profit and

Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, joint ventures and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from

Notes forming part of the Consolidated Financial Statements (*contd.*)

the deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which the benefits of the temporary difference can be utilised and they are expected to reverse in the foreseeable future.

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

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

iii) Minimum alternate tax

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is recognised as an asset in the balance sheet when there is convincing evidence that the Group will pay normal income tax during the specified period and it is probable that future economic benefit associated with it will flow to the Group.

iv) Current tax and deferred tax

Current tax and deferred tax are recognised in Consolidated Statement of Profit and Loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in

equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity respectively. The current and deferred tax arising from the initial accounting for business combination, are included in the accounting for the business combination.

3.07 Property, Plant and equipment

Land, buildings, Plant and equipment, Furniture and Fixtures, Vehicles, Office equipments held for use in the operations, or for administrative purposes are stated at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated. Cost includes purchase cost of materials, including import duties and non-refundable taxes, any directly attributable costs of bringing an asset to the location and condition of its intended use and borrowing costs capitalised in accordance with the Group's accounting policy.

Depreciation is recognised so as to write off the cost of assets (other than freehold land) less their residual values over the useful lives, using the straight-line method. Depreciation of assets commences when the assets are ready for their intended use. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes is accounted as change in estimate on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is recognised in Consolidated Statement of Profit and Loss.

Notes forming part of the Consolidated Financial Statements (*contd.*)

Upto March 31, 2019, assets acquired under finance leases are depreciated over their expected useful lives on the same basis as owned asset. When there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

Estimated useful lives of the assets are as follows:

Buildings	: 30 to 60 years
Plant and equipment	: 3 to 15 years
Furniture and Fixtures	: 10 years
Office Equipments	: 3 to 5 years
Computers	: 3 years
Motor Vehicles	: 5 to 8 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is recognised in consolidated profit and loss.

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

3.08 Borrowing Costs

Borrowing cost attributable to the acquisition of qualifying assets is added to the cost up to the date when such assets are ready for their intended use. Other borrowing costs are recognized as expenses in the period in which these are incurred.

3.09 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the

Group reviews the carrying amounts of its tangible and intangible assets (Other than goodwill) to determine whether there is any indication that those assets have suffered any impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset for which the estimates of future cash flows have not be adjusted.

If the recoverable amount of an asset or cash generating unit is estimated to be less than the carrying amount, the carrying amount of the asset or cash generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in consolidated profit and loss.

When an impairment loss subsequently reverses, the carrying value of the asset or cash generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash generating unit in prior years. Any reversal of an impairment loss is recognised immediately in consolidated profit and loss.

Notes forming part of the Consolidated Financial Statements (*contd.*)

3.10 Inventories

Raw materials, stores and spares, finished goods, other construction materials and fuel are valued at lower of cost and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes purchase price, non-refundable taxes and duties and other directly attributable costs incurred in bringing the goods/services to the point of sale. Work-in-progress is valued at cost.

Value of inventories are generally ascertained on the "FIFO" basis.

3.11 Provisions, Contingent liabilities and Contingent assets

3.11.01 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.11.02 Onerous contracts

An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. Present obligation arising under onerous contracts are recognised and measured as provisions.

3.11.03 Contingent liabilities and assets

Contingent liability is a possible obligation that arises from past events and 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 Group, or is a present obligation that arises from past events but is not recognised because either it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a reliable estimate of the amount of the obligation cannot be made. Contingent liabilities are disclosed and not recognised. Contingent assets are neither recognised nor disclosed.

3.12 Leases

Upto March 31, 2019

Assets taken on lease by the Group had substantially all the risks and rewards of ownership are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an

Notes forming part of the Consolidated Financial Statements (*contd.*)

asset substantially vest with the lessor are recognised as operating leases. The Group's significant operating leasing arrangements are for premises (office, residence etc.,). The leasing arrangements which normally have a tenure of eleven months to three years are cancellable with a reasonable notice, and are renewable by mutual consent at agreed terms. The aggregate lease rent payable is charged as rent in the Consolidated Statement of Profit and Loss.

With effect from April 1, 2019

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (leases with a lease term of 12 months or less) and leases of low value assets. For short term leases and leases of low value assets, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate, which is determined using the risk free rate for the same tenor adjusted for the credit risk associated with the lease, security etc. Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments), less any lease incentives; and any variable lease payments that are based on an index

or a rate, initially measured using the index or rate at the commencement date. Lease payments to be made under reasonably certain extension options are also included in the measurement of lease liabilities.

Lease payments are allocated between the principal and finance cost. The finance cost is charged in the Consolidated Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any.

Right-of-use assets are depreciated on straight-line basis over the period of lease term and useful life of the underlying asset, whichever is lower. If a lease transfers ownership of the underlying asset or where it is reasonably certain that the Group will exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

3.13 Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transactions costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial

Notes forming part of the Consolidated Financial Statements (*contd.*)

assets or financial liabilities, as appropriate, on initial recognition. Transactions costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in consolidated profit and loss.

3.14 Financial assets

All purchases or sales of financial assets which require delivery of assets within the time frame established by regulation or convention in the market place are recognised and derecognised on a trade date basis. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

3.14.01 Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit and loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit and loss on initial recognition):

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

Interest income is recognised in consolidated profit and loss for Fair value through other comprehensive income (FVTOCI) debt instruments. For the purpose of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus exchange differences on the amortised cost are recognised in consolidated profit and loss and other changes in the fair value of FVTOCI financial assets in other comprehensive income and accumulated under the heading of ‘Reserve for debt instruments through other comprehensive income’. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit and loss.

All other financial assets are subsequently measured at fair value.

3.14.02 Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premium or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Income is recognised on effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in Consolidated Statement of Profit and Loss and is included in the “Other income” line item.

Notes forming part of the Consolidated Financial Statements (*contd.*)

3.14.03 Investments in equity instruments at FVTOCI

On initial recognition, the Group make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in the fair value of investments in equity instruments (other than investments held for trading) in other comprehensive income. These instruments are initially measured at fair value plus transaction costs. Subsequently they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for Equity through other comprehensive income'. On disposal of these investments the cumulative gain or loss is not reclassified to consolidated profit and loss.

Dividends on these investments in equity instruments are recognised in consolidated profit and loss when the Group's right to receive dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends are included as part of 'Other income' in the Consolidated Statement of Profit and Loss.

3.14.04 Financial assets at fair value through profit and loss (FVTPL)

Financial assets which meets the criteria of financial assets held for trading are designated as 'Financial Assets at FVTPL'. The Group has derivatives that are not designated and effective as a hedge instrument which are designated as 'Financial Assets at FVTPL'. Financial assets at FVTPL are measured at FVTPL

are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in Consolidated Statement Profit and Loss.

3.14.05 Impairment of financial assets

The Group applies the expected credit loss model for recognising impairment loss on trade receivables, other contractual rights to receive cash or other financial instruments. Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. The Group estimates cash flows by considering all contractual terms of the financial instrument.

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risks on that financial instrument has increased significantly since initial recognition. If the credit risk on financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12 month expected credit losses.

If the Group measures the loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risks has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Group again measures the loss allowance based on 12 month expected credit losses.

For trade receivables or any contractual

Notes forming part of the Consolidated Financial Statements (*contd.*)

right to receive cash or another financial asset that results from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Group always measures loss allowance at an equal to life time expected credit losses. For the purpose of measuring lifetime expected credit loss allowance for trade receivables the Group has used practical expedient as permitted under Ind AS 109. The expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward looking information.

3.14.06 Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flow from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of financial asset in its entirety, the difference between the asset's carrying amounts and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit and loss if such gain or loss would have otherwise been recognised in Consolidated Statement of Profit and Loss on disposal of that financial asset.

3.15 Financial liabilities and equity instruments

3.15.01 Classification as debt or equity

Debt and equity instruments issued by a Group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Group entity are recognised at the proceeds received, net of direct issue costs.

Repurchases of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in consolidated profit and loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

3.15.02 Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings and payables. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in consolidated profit and loss. The net gain or loss recognised in consolidated profit and loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

3.15.03 Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

3.15.04 Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial

difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in Consolidated Statement Profit and Loss.

3.16 Joint Venture Operations

In respect of contracts executed in Integrated Joint Ventures under profit sharing arrangement (assessed as AOP under Income tax laws), the services rendered to the Joint Ventures are accounted as income on accrual basis.

The profit / loss is accounted for, as and when it is determined by the Joint Venture and the net investment in the Joint Venture is reflected as investments, loans and advances or current liabilities.

3.17 Operating Cycle

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 36 months for real estate & infrastructure projects and 12 months for others for the purpose of classification of its assets and liabilities as current and non-current.

3.18 Rounding Off

The consolidated financial statements have been prepared in Indian Rupees (Rs) rounded off to two nearest decimal places in lakhs unless otherwise stated.

Notes forming part of the Consolidated Financial Statements (contd.)

₹ in lakhs

4. Property, plant and equipment

	Freehold Building	Plant and Machinery	Furniture and fixtures	Motor Vehicles	Office equipments	Computers	Total
Cost or deemed cost							
Balance at April 1, 2018	78.50	272.69	1.75	0.67	0.26	-	353.87
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Balance at March 31, 2019	78.50	272.69	1.75	0.67	0.26	-	353.87
Additions	-	-	-	-	-	0.22	0.22
Disposals	-	-	-	-	-	-	-
Balance at March 31, 2020	78.50	272.69	1.75	0.67	0.26	0.22	354.09
Accumulated depreciation							
Balance at April 1, 2018	3.08	80.76	1.52	0.55	0.23	-	83.74
Depreciation expense	1.54	41.89	0.12	0.02	0.03	-	43.60
Disposals	-	-	-	-	-	-	-
Balance at March 31, 2019	4.62	122.65	1.64	0.57	0.26	-	127.34
Depreciation expense	1.54	40.54	0.03	0.02	-	0.07	42.20
Disposals	-	-	-	-	-	-	-
Balance at March 31, 2020	6.16	163.19	1.67	0.59	0.26	0.07	169.54
Carrying amount							
Balance at April 1, 2018	75.42	191.93	0.23	0.12	0.03	-	267.73
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Depreciation expense	(1.54)	(41.89)	(0.12)	(0.02)	(0.03)	-	(43.60)
Balance at March 31, 2019	73.88	150.04	0.11	0.10	-	-	224.13
Additions	-	-	-	-	-	0.22	0.22
Disposals	-	-	-	-	-	-	-
Depreciation expense	(1.54)	(40.54)	(0.03)	(0.02)	-	(0.07)	(42.20)
Balance at March 31, 2020	72.34	109.50	0.08	0.08	-	0.15	182.15

Note:

All the present and future property, plant equipments of the company are hypothecated to Alchemist Asset Reconstruction Company Limited.

Notes forming part of the Consolidated Financial Statements (contd.)

5. Goodwill	Rs in lakhs	
	<u>Goodwill</u>	<u>Total</u>
Cost or deemed cost		
Balance at April 1st, 2018	0.17	0.17
Additions	-	-
Disposals	-	-
Balance at March 31st, 2019	<u>0.17</u>	<u>0.17</u>
Additions	-	-
Disposals	-	-
Balance at March 31st, 2020	<u>0.17</u>	<u>0.17</u>
Accumulated impairment		
Balance at April 1st, 2018	-	-
Charge for the year	-	-
Disposals	-	-
Balance at March 31st, 2019	<u>-</u>	<u>-</u>
Charge for the year	-	-
Disposals	-	-
Balance at March 31st, 2020	<u>-</u>	<u>-</u>
Carrying amount		
Balance at April 1st, 2018	0.17	0.17
Additions	-	-
Disposals	-	-
Charge for the year	-	-
Balance at March 31st, 2019	<u>0.17</u>	<u>0.17</u>
Additions	-	-
Disposals	-	-
Charge for the year	-	-
Balance at March 31st, 2020	<u>0.17</u>	<u>0.17</u>
	As at 31.03.2020	As at 31.03.2019
	<u>₹ in lakhs</u>	<u>₹ in lakhs</u>
6 Investment property		
Investment in land		
Opening balance	266.07	266.07
Additions	-	-
Closing balance	<u>266.07</u>	<u>266.07</u>

Estimation of fair value

The Company's investment property consists of freehold land in Telangana and West Bengal, India. The fair value of the investment property is based on current prices for similar property. The main inputs used are quantum, area, location, demand, and trend of fair market value in the area.

The fair value is determined by an accredited independent valuer. Fair valuation is based on market approach method and categorised as Level 2 fair value hierarchy as at 31 March 2020 and 31 March 2019, the fair values of the property are 471 lakhs and 463 lakhs respectively.

The Company has no restrictions on the realisability of its investment property and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and enhancements

Notes forming part of the Consolidated Financial Statements (contd.)

	Amount Face Value Per share	As at 31.03.2020		As at 31.03.2019	
		Qty Nos.	Amount ₹ in lakhs	Qty Nos.	Amount ₹ in lakhs
7 Non-current investments					
A) Investment (carried at cost)					
Unquoted Investments (all fully paid)					
Investments in Equity Instruments of Associates					
Kaushalya Township Private Limited	10.00	318,237	-	318,237	104.53
Kaushalya Nirman Private Limited	10.00	46,000	-	46,000	9.88
Orion Abasaan Private Limited	10.00	29,000	-	29,000	-
		<u>393,237</u>	<u>-</u>	<u>393,237</u>	<u>114.41</u>
B) Investments					
Investments in 10% Redeemable					
Non-cumulative Preference Shares: Associate					
Kaushalya Township Private Limited	10.00	3,498,630	1,994.22	3,498,630	1,994.22
Kaushalya Nirman Private Limited	10.00	879,968	510.38	879,968	510.38
Orion Abasaan Private Limited	10.00	1,985,740	1,092.16	1,985,740	1,092.16
		<u>63,64,338</u>	<u>3,596.76</u>	<u>63,64,338</u>	<u>3,596.76</u>
		<u>67,57,575</u>	<u>3,596.76</u>	<u>67,57,575</u>	<u>3,596.76</u>
Total Investments in equity instruments (carried at fair value through Other Comprehensive Income)					
Unquoted investments (all fully paid)					
Investments in Equity Instruments of:					
Balaji Turnkey Projects Solution Private Limited*	10.00	-	-	228,600	514.34
Enlightened Projects Limited*	10.00	195,500	132.87	195,500	293.25
Orkay Engineering Limited*	10.00	853,000	378.06	853,000	426.50
Flare Realty Engineering Private Limited*	10.00	5,200	0.18	5,200	2.96
		<u>10,53,700</u>	<u>511.11</u>	<u>12,82,300</u>	<u>1,237.05</u>
		<u>78,11,275</u>	<u>4,107.87</u>	<u>80,39,875</u>	<u>4,833.81</u>

* Although, the Company holds more than 20% of the shareholding of the above mentioned companies but does not have significant influence over the same. Hence, the Company has not applied Ind AS 28: Investment in Associates and Joint Ventures while preparing the separate financial statements. Rather, the company has applied Ind AS 109: Financial Instruments for recognition and measurement of investments in the above mentioned companies.

Aggregate amount of unquoted investments	<u>4,107.87</u>	<u>4,948.22</u>
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Details of equity accounted associates are as follows:

Name of the company	Original cost of investment	As at 31.03.2020		Carrying amount of investments
		Goodwill/ (Capital Reserve)	Accumulated profit/(loss)	
Kaushalya Township Private Limited	155.17	-	(155.17)	-
Kaushalya Nirman Private Limited	19.40	-	(19.40)	-
Orion Abasaan Private Limited	10.90	-	(10.90)	-
	<u>185.47</u>	<u>-</u>	<u>(185.47)</u>	<u>-</u>
Name of the company	Original cost of investment	As at 31.03.2019		Carrying amount of investments
		Goodwill/ (Capital Reserve)	Accumulated profit/(loss)	
Kaushalya Township Private Limited	155.17	-	(50.64)	104.53
Kaushalya Nirman Private Limited	19.40	-	(9.52)	9.88
Orion Abasaan Private Limited	10.90	-	(10.90)	-
	<u>185.47</u>	<u>-</u>	<u>(71.06)</u>	<u>114.41</u>

Notes forming part of the Consolidated Financial Statements (contd.)

	As at 31.03.2020 ₹ in lakhs	As at 31.03.2019 ₹ in lakhs
8 Loans (Non Current)		
(Unsecured, considered good)		
a) Security deposits (Carried at amortised cost)	1,199.05	245.64
Less: Loss Allowance	(933.99)	(245.40)
b) Loan to body corporate	268.81	447.67
c) Deposits with govt Authorities	0.80	0.80
	534.67	448.71
9 Income tax assets (net)		
Income tax assets (net of provisions)	576.91	608.41
	576.91	608.41
At the beginning of year	608.31	576.11
Changes for the year	(31.80)	32.30
Tax paid (Net) during year	0.40	-
At end of year- Advance tax/ (Provision for Tax)	576.91	608.41
Note:- Advance Income Tax has been netted off with the provision for income tax		
10 Inventories (At lower of cost and net realisable value)		
a) Work in progress (At lower of cost and net realisable value)	41.04	41.04
b) Raw materials (At lower of cost and net realisable value)	5.26	5.84
	46.30	46.88
11 Trade receivables (Current)		
Trade receivables	2,578.50	2,578.51
Less: Allowance for expected credit losses	(1,201.20)	(1,200.00)
	1,377.30	1,378.51
Details for trade receivables:		
a) Receivables considered good - Secured;	-	-
b) Receivables considered good - Unsecured;	-	-
c) Receivables which have significant increase in Credit Risk;	-	-
d) Receivables - credit impaired	-	-
Less: Allowance for Expected credit losses	(1,201.20)	(1,200.00)
	(1,201.20)	(1,200.00)
Movement in the expected credit loss allowance		
Balance at the beginning of the year	(1,200.00)	(4,000.00)
Expected credit loss allowance created on trade receivables (Net), calculated at lifetime expected credit losses.	(1.20)	2,800.00
Balance at the end of the year	(1,201.20)	(1,200.00)
Note:- There are certain contracts against which litigations are pending with various forums for dispute resolution. While creating provision for expected credit loss, the same has been considered.		
12 Cash and cash equivalents		
a) Cash and cash equivalents		
i) Cash in hand	3.03	8.81
ii) Balances with banks		
In current accounts	13.53	9.07
Total cash and cash equivalents	16.56	17.88
b) Other bank balances		
In deposit account (Unencumbered)	2.20	12.24
In deposit account (held as Margin/against Earnest Money Deposit/ Performance Security/Others)	30.86	27.91
Total other balances with bank	33.06	40.15
Total cash and cash equivalents	49.62	58.03
Included above		
i) Earmarked balance held as Margin/ against Earnest Money Deposit/ Performance Security/Others	30.86	27.91

Notes forming part of the Consolidated Financial Statements (contd.)

	As at 31.03.2020 ₹ in lakhs	As at 31.03.2019 ₹ in lakhs
13 Loans (Current)		
a) Security deposits	307.00	1,273.00
Less: Loss allowance	-	(357.34)
b) Advance to staff	0.78	1.32
c) Loans to body corporate	5.00	5.00
	312.78	921.98
14 Other financial assets (current)		
a) Interest accrued on financial assets carried at amortised cost	3.81	3.26
b) Other receivables	383.24	-
	387.05	3.26
14A Other current assets		
a) Other Advances	0.98	68.65
	0.98	68.65
15 Share capital		
Authorised:		
3,50,00,000 Equity Shares of ₹ 10 each	3,500.00	3,500.00
(as at March 31, 2019 : 3,50,00,000 Equity Shares of ₹ 10 each)	3,500.00	3,500.00
Issued, Subscribed and fully paid up:		
3,46,30,630 Equity Shares of ₹ 10 each	3,463.06	3,463.06
(as at March 31, 2019 : 3,46,30,630 Equity Shares of ₹ 10 each)	3,463.06	3,463.06

Reconciliation of Number of shares and amount outstanding at the beginning and end of the reporting period

	For the year ended 31.03.2020		For the year ended 31.03.2019	
	No. of Shares	Amount ₹ in lakhs	No. of Shares	Amount ₹ in lakhs
Equity shares				
Issued, subscribed and fully paid up:				
At beginning and end of the year	34,630,630	3,463.06	34,630,630	3,463.06

Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at 31.03.2020		As at 31.03.2019	
	No. of Shares	%	No. of Shares	%
Mahanti Engineers Private Limited	5,082,600	14.68%	5,082,600	14.68%
Sunkissed Merchandise Private Limited	5,022,900	14.50%	5,022,900	14.50%
Keleenworth Marketing Private Limited	4,336,350	12.52%	4,336,350	12.52%

Rights, preferences and restrictions attached to shares

Equity Shares

The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is entitled for one vote per share held. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing annual general meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are entitled to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to the number of equity shares held by the shareholders.

Notes forming part of the Consolidated Financial Statements (contd.)

	As at 31.03.2020 ₹ in lakhs	As at 01.04.2019 ₹ in lakhs		
16 Other Equity				
a) Securities premium	4,793.85	4,793.85		
b) General reserve	484.87	484.87		
c) Investment revaluation reserve	(211.72)	-		
d) Retained Earnings	(4,642.69)	(4,003.26)		
	424.31	1,275.46		
a) Securities premium				
Balance as at the beginning and end of the year	4,793.85	4,793.85		
Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of Section 52 of the Companies Act, 2013				
b) General reserve				
Balance as at the beginning and end of the year	484.87	484.87		
Under the erstwhile Indian Companies Act, 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn though the Company may transfer such percentage of its profits for the financial year as it may consider appropriate. Declaration of dividend out of such reserve shall not be made except in accordance with rules prescribed in this behalf under the Act.				
c) Retained earnings				
Balance as at the beginning of the year	(4,003.26)	(6,227.14)		
Profit/ (Loss) for the year	(639.43)	2,223.88		
Balance as at the end of the year	(4,642.69)	(4,003.26)		
Retained Earnings are the profits and gains that the Company has earned till date and adjustments done on transition to Ind AS, less any transfer to general reserve, dividends or other distributions paid to shareholders.				
d) Investment revaluation reserve				
Balance as at the beginning of the year	-	-		
Changes during the year	(211.72)	-		
Balance as at the end of the year	(211.72)	-		
The Company has elected to recognise changes in the fair value of certain investments in equity instruments in Other Comprehensive Income. These changes are accumulated within the FVOCI equity investments reserve within equity. The Company transfers amounts from this reserve to Retained Earnings when the relevant equity shares are derecognised.				
	% of noncontrolling interests as at March 31, 2020	As at 31.03.2020 ₹ in lakhs	% of noncontrolling interests as at March 31, 2019	As at 31.03.2019 ₹ in lakhs
17 Non Controlling Interest				
Non controlling interest of subsidiaries:				
a) KDC Nirman Limited	51.00%	8.63	51.00%	8.39
b) Bengal KDC Housing Development Limited	51.00%	60.44	51.00%	36.06
c) Kaushalya Energy Private Limited	95.50%	(2.89)	95.50%	(2.83)
d) Azur Solar Private Limited	94.55%	(0.01)	94.55%	0.19
		66.17		41.81
		As at 31.03.2020 ₹ in lakhs		As at 01.04.2019 ₹ in lakhs
18 Provisions				
Provision for employee benefits (Gratuity) (refer note 37.01)		8.46		8.46
		8.46		8.46
19 Deferred tax balances				
Deferred tax assets		626.41		604.31
Deferred tax liabilities		(22.09)		(29.05)
		604.32		575.26

Notes forming part of the Consolidated Financial Statements (contd.)

For the year ended 31.03.2020	Opening Balance	Recognised in P&L	Closing Balance
Deferred tax (liabilities)/assets in relation to:			
Property, plant and equipment	(29.03)	(6.94)	(22.09)
Brought forward losses	602.09	(22.12)	624.21
Provision for employee benefits	2.20	-	2.20
	<u>575.26</u>	<u>(29.06)</u>	<u>604.32</u>

For the Year ended 31.03.2019			
Property, plant and equipment	(35.35)	(6.31)	(29.03)
Brought forward losses	-	(602.09)	602.09
Provision for employee benefits	2.18	(0.02)	2.20
	<u>(33.17)</u>	<u>(608.42)</u>	<u>575.26</u>

Deferred tax asset has been recognised on brought forward tax losses in the current year. This is on account of the fact that recognition criteria of Deferred tax of has been met in light of the significant developments regarding restructuring of loans in the current year.

	As at 31.03.2020 ₹ in lakhs	As at 31.03.2019 ₹ in lakhs
20 Borrowings - current		
A. Secured - at amortised cost		
a) Repayable on demand		
a) Loan from bank	2,990.06	3,146.61
Total secured borrowings	<u>2,990.06</u>	<u>3,146.61</u>
Total borrowings	<u>2,990.06</u>	<u>3,146.61</u>
21 Trade payables		
a) Total outstanding dues to micro enterprises and small enterprises	-	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,070.56	1,128.60
Total trade payables	<u>1,070.56</u>	<u>1,128.60</u>

Note:- The company does not have any outstanding dues to micro, small and medium enterprise for more than 45 days during the period and as on March 31, 2019 and March 31, 2020, respectively since it has not received any declaration/notice/letters from its creditors certifying or indicating them as Micro Small and Medium Enterprises.

22 Other financial liabilities		
a) Advance received	1.00	-
b) Security Deposits	56.41	77.44
	<u>57.41</u>	<u>77.44</u>
23 Income tax liabilities (net)		
Income tax liabilities	4.62	4.79
	<u>4.62</u>	<u>4.79</u>

Note:- Advance Income Tax has been netted off with the provision for income tax

23A Other current liabilities		
a) Advance received from customers	230.66	230.66
b) Advance from joint venture	89.65	93.39
c) Employee recoveries and employer's contributions	0.10	0.18
d) Statutory dues	41.13	77.82
Total other current liabilities	<u>361.54</u>	<u>402.05</u>

Notes forming part of the Consolidated Financial Statements (contd.)

	For the year ended 31.03.2020 ₹ in lakhs	For the Year ended 31.03.2019 ₹ in lakhs
24 Revenue from operations		
a) Contracts receipts	-	-
b) Receipts from hotel	11.68	15.42
c) Revenue from agricultural business	6.37	7.05
Total revenue from operations	18.05	22.47
25 Other income		
a) Interest income on financial assets carried at amortised cost		
i) From fixed deposits	2.66	2.35
ii) From loan and advances	28.93	37.37
b) Liabilities/provision no longer required written back	78.93	6.85
c) Miscellaneous income	0.04	37.33
d) Gain on settlement of loan with SBI	-	2,556.43
Total other income	110.56	2,640.33
The company had reached a settlement with Alchemist Asset Reconstruction Company Ltd. In respect of loan taken over by them from State bank of India. Subsequently, after full and final payment of the settled amount in this respect, the company has received a "No Dues" from them as it relates to the amount of debt of ₹ 2926.43 Lakhs. Subsequently, the company has written back the amount to the tune of ₹ 2,556.43 Lakhs during the F.Y. 2018-19.		
26 Cost of materials consumed		
Raw materials consumed		
a) Stock as at the beginning of the year	5.84	7.30
b) Add: Purchases	3.58	3.53
	9.42	10.83
c) Less: Stock as at the end of the year	5.26	5.84
Total cost of materials consumed	4.16	4.99
27 Changes in inventories of finished goods and work in progress		
Inventories at the beginning of the year		
a) Work-in-progress	41.04	41.04
	41.04	41.04
Inventories at the end of the year		
a) Work-in-progress	41.04	41.04
	41.04	41.04
Net (increase)/decrease in inventories	-	-
28 Employee benefits expense		
a) Salaries and wages, including bonus	31.64	32.86
b) Contribution to provident and other funds	0.19	0.20
c) Workmen and staff welfare expenses	0.45	0.53
d) Director's remuneration	11.40	11.40
Total employee benefits expense	43.68	44.99
29 Finance costs		
a) Interest expense on borrowings carried at amortised cost	1.63	0.32
b) Interest on income tax	1.73	-
Total finance costs	3.36	0.32

Notes forming part of the Consolidated Financial Statements (contd.)

	For the year ended 31.03.2020 ₹ in lakhs	For the Year ended 31.03.2019 ₹ in lakhs
30 Depreciation expense		
a) Depreciation on Property, plant and equipments (Refer Note 05)	42.20	43.59
Total depreciation	42.20	43.59
31 Other expenses		
a) Consumption of stores, spare parts and loose tools	1.79	0.65
b) Repairs to buildings	0.60	1.81
c) Repairs to plant and machinery	1.45	0.01
d) Power and fuel	0.32	0.37
e) Rates, taxes and licenses	8.67	(10.49)
f) Electricity expenses	2.80	2.84
g) Insurance charges	0.13	0.04
h) Cultivation expenses	2.38	1.25
i) Selling and distribution expenses	0.89	0.92
j) Legal and professional fee	17.72	41.48
k) Travelling and conveyance expenses	3.59	3.03
l) Telephone expenses	1.60	1.57
m) Directors' sitting fees	0.94	1.18
n) Printing and stationery	1.70	1.97
o) Audit fees [Note 33.1]	1.42	1.42
p) Loss allowance on trade receivables	1.20	165.80
q) Loss on sale of shares	81.17	-
r) Rent	8.34	8.17
s) Sundry balances written off	69.15	13.53
t) Loss Allowance on Security Deposits	331.25	603.26
u) Commission to Managing Director	3.44	3.57
v) Other general expenses	6.64	7.21
Total other expenses	547.19	849.59
31.1 Audit fee includes payment to statutory auditor towards:		
i) Statutory audit fee	1.42	1.42
32 Income tax recognised in profit and loss		
Current tax		
In respect of the current year	17.85	17.64
In respect of earlier years	0.01	0.01
	17.86	17.65
Deferred tax		
In respect of the current year	(29.06)	(608.43)
	(29.06)	(608.43)
33 Earnings per share (in Rupees)		
Basic and diluted earnings per share		
The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows:		
Profit/ (loss) for the year	(615.07)	2,249.47
Profit/ (loss) attributable to the Equity Shareholders (A)	(615.07)	2,249.47
Weighted average number of equity shares for the purpose of basic earnings per share (B)	34,630,630	34,630,630
Face value of Equity shares (In Rupees)	10.00	10
Basic and diluted earnings per share (In Rs.)	(1.78)	6.50
The Company is not having any potential ordinary shares which are dilutive in nature.		

Notes forming part of the Consolidated Financial Statements (contd.)

	As at 31.03.2020 ₹ in lakhs	As at 31.03.2019 ₹ in lakhs
34 Additional information to the Financial Statements		
34.01 Contingent Liabilities		
1 Claims not acknowledged as debts		
Income Tax Demand (Assessment Year 2007-08)	20.22	20.63
Income Tax Demand (Assessment Year 2009-10)	20.19	20.19
Income Tax Demand (Assessment Year 2010-11)	37.61	37.61
Income Tax Demand (Assessment Year 2011-12)	1.91	1.91
Income Tax Demand (Assessment Year 2012-13)	59.26	59.26
Income Tax Demand (Assessment Year 2013-14)	332.74	332.74
Income Tax Demand (Assessment Year 2014-15)	513.89	513.89
Income Tax Demand (Assessment Year 2017-18)	0.05	NIL
The Central Excise Act, 1944, Service Tax	NIL	896.85
The WBVAT Act, 2003, VAT	NIL	NIL
The WBVAT Act, 2003, VAT	817.10	NIL
The WBVAT Act, 2003, VAT	6.60	NIL
The WBVAT Act, 2003, VAT	0.35	NIL
The WBVAT Act, 2003, VAT	69.48	69.48
	1,879.39	1,952.55

Future cash outflows in respect of above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities.

34.02 Capital and other commitments

a) Capital commitments

Estimated value of contracts remaining to be executed on capital account	NIL	NIL
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34.03 Contingent assets

- Dispute between the Group's client NPCC Ltd. and the principal NTPC Ltd. was settled in the favour of NPCC Ltd. to the tune of ₹ 8.55 Crores (Contingent Assets ₹ 5.70 crores) by the Permanent Machinery of Arbitration (P.M.A.) which is in and above of amount receivable from them. The principal, NTPC Ltd. has preferred an appeal before the Secretary P.M.A. which is pending disposal. As per terms of MOU with NPCC Ltd., the claim once received by NPCC Ltd. shall be passed on to the Company after deduction of margins of NPCC Ltd. and tax amounts.
- Dispute between the Company and National Highways Authority of India (NHAI) was settled in favour of the Company through arbitration. NHAI had preferred an appeal against the arbitration award in the Hon'ble Calcutta High Court. An interim amount of ₹ 0.48 crore was received by the Group towards the award as it was not appealed against by NHAI. The remaining award amount of ₹ 6.00 Crores (Contingent Assets ₹ 4.98 Crores) plus interest is pending in appeal which is in and above of amount receivable from them. Moreover, NHAI has deposited a substantial amount of the award with the Hon'ble Calcutta High Court and deposited a portion of it in a separate interest bearing deposit. Full and final settlement for the dispute is still pending as of 31st March, 2020.

34.04 Disclosure on debt restructuring and settlement of loans taken from scheduled commercial banks

- The debts of Indian Overseas Bank (IOB) and State Bank of India (SBI) were taken over by Alchemist Asset Reconstruction Company (Trust VII) (ARC). The company has reached a settlement of its debts with respect to the amount taken over by ARC from SBI and restructuring of the debts with respect to the amount taken over from IOB by the ARC. The settlement amount with respect to SBI of ₹ 370.00 lakhs has been paid by the company to the ARC and the restructured amount relating to IOB of ₹ 1,302.50 is to be paid by the company to the ARC in quarterly instalments as per the restructuring schedule till March '24. After that company has to pay NCD of ₹10 crores to be issued by ARC.
- The company has not yet recognised any gain/ notional gain on restructuring/ settlement of loan, pending filling of consent application/ application reflecting restructuring/settlement by Alchemist Asset Reconstruction Company Limited with the Debt Recovery Tribunal in the cases pending thereat. As per restructuring agreement, In case of failure to make payment as per schedule given in Annexure-B or in case of failure to comply with any other terms & conditions specified in Annexure-A, this restructuring shall stand revoked without any notice and any amount paid by you shall be forfeited and adjusted towards total dues.

Notes forming part of the Consolidated Financial Statements (*contd.*)

35 Disclosures under Indian Accounting Standards

For the year ended

For the Year ended

31.03.2020

31.03.2019

Rs in lakhs

Rs in lakhs

35.01 Employee Benefits

Defined Contribution plans

The Company has not transferred any amount towards long term defined benefit obligations as the management estimates that provision for retirement benefits is sufficient. Further the company has made contribution to following defined contribution plans:-

Provident and other funds	0.19	0.20
Total	0.19	0.20

Defined Benefit Plans

The Company provided the following employee benefits

Funded : Provident Fund

Non Funded: Gratuity

35.02 Details of the Gratuity Plan are as follows

Description	2019-20 <u>Rs in lakhs</u>	2018-19 <u>Rs in lakhs</u>
1. Reconciliation of opening and closing balances of obligation		
a. Obligation as at beginning of the year	8.46	8.46
b. Current service cost	-	-
c. Interest cost	-	-
d. Liabilities assumed from associate companies for transferred employees	-	-
e. Actuarial (gain)/loss	-	-
f. Benefits paid	-	-
g. Obligation as at end of the year	8.46	8.46
2. Change in fair value of plan assets		
a. Fair value of plan assets as at beginning of the year	-	-
b. Expected return on plan assets	-	-
c. Assets transferred from associate companies for transferred employees	-	-
d. Actuarial gain/(loss)	-	-
e. Contributions made by the company	-	-
f. Benefits paid	-	-
g. Fair value of plan assets as at end of the year	-	-
3. Reconciliation of fair value of plan assets and obligations		
a. Present value of obligation	8.46	8.46
b. Fair value of plan assets	-	-
c. Amount recognised in the balance sheet Asset/(Liability)	(8.46)	(8.46)
4. Expenses recognised during the year		
a. Current service cost	-	-
b. Interest cost	-	-
c. Expected return on plan assets	-	-
d. Actuarial (gain)/loss	-	-
e. Expenses recognised during the year	-	-
5. Assumptions	%	%
a. Discount rate (per annum)	-	-
b. Rate of escalation in salary	-	-

Note:- "Liability for defined benefit obligations has to be created on the basis of Actuarial valuation report on Employees benefits. In the absence of such report, no treatment for defined benefit obligation has been done."

Notes forming part of the Consolidated Financial Statements (contd.)

35.03 Segment Reporting

The Group's operating segments are established on the basis of those components of the Group that are evaluated regularly by the Management, in deciding how to allocate resources and in assessing performance. These have been identified taking into account nature of products and services, the differing risks and returns and the internal business reporting systems.

The Group has two principal operating and reporting segments; viz. Construction & Hotel.

The accounting policies adopted for segment reporting are in line with the accounting policy of the group with following additional policies for segment reporting:-

- Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and Expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".
- An operating segment is classified as Reportable segment if reported revenue (including inter-segment revenue) or absolute amount of result or assets exceed 10% or more of the combined total of all the operating segments.
- Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".
- As per Indian Accounting Standard 108 - Operating Segments, the group has reported segment information on consolidated basis including businesses conducted through its subsidiaries.

	2019-20 Rs in lakhs	2018-19 Rs in lakhs
01 Segment Revenue		
(a) Construction	-	-
(b) Hotel	18.05	22.47
Total Revenue	18.05	22.47
02 Segment Results		
(a) Construction	(619.41)	(925.52)
(b) Hotel	0.23	4.83
Total	(619.18)	(920.69)
Less: Finance cost	3.36	0.32
Other unallocable (income)/expenditure	(110.56)	(2,640.33)
Less: Profit / (Loss) of associate	(114.29)	(60.63)
Profit/ (loss) before Tax	(626.27)	1,658.69
Less: Tax expense	(11.20)	(590.78)
Profit/ (loss) before Tax	(615.07)	2,249.47
03 Capital Employed		
Segment Assets		
(a) Construction	8,341.44	9,439.00
(b) Hotel	104.75	109.28
Total assets	8,446.19	9,548.28
Segment Liabilities		
(a) Construction	4,492.37	4,766.61
(b) Hotel	0.28	1.34
Total liabilities	4,492.65	4,767.95

Notes forming part of the Consolidated Financial Statements (*contd.*)

36 Financial instruments

36.01 Capital management

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long term and short term goals of the Company. The Company determines the amount of capital required on the basis of annual business plan also taking into consideration any long term strategic investment and expansion plans. The funding needs are met through equity and cash generated from operations.

The Company manages its capital to ensure that entities will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Capital structure of the Company consists of net debt (borrowings as detailed in note 21 offset by cash and bank balances) and the total equity of the Company.

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 adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, long term-term borrowings, short-term borrowings, less cash and short-term deposits.

36.02 Financial risk management

36.02.01 Interest Rate Risk Management

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market interest rates. Currently the company does not have any debt and hence it is not exposed to any risk of changes in market interest rates.

36.02.02 Credit risk management

Credit risks refers to risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The Company's Board approved financial risk policies comprise liquidity, currency, interest rate and counterparty risk. Financial instruments that are subject to concentrations of credit risk, principally consist of trade receivables, finance receivables and loans and advances. None of the financial instruments of the Company result in material concentrations of credit risks. The Company does not engage in speculative treasury activity.

The credit risk on bank balances is limited because the counterparties are banks with high credit ratings.

On going credit evaluation is performed on the financial condition of accounts receivable.

36.02.03 Liquidity risk management

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Liquidity and interest risk tables

The following tables detail the maturity profile of Company's non-derivative financial liabilities with agreed repayment period. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

36.03 Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings and trade and other payables. The Company's principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Company is exposed to market risk, credit risk and liquidity risk.

The Company seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risks, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments. The Company does not enter into or trade financial instruments including derivative financial instruments, for speculative purposes.

Notes forming part of the Consolidated Financial Statements (contd.)

The corporate treasury management reports on quarterly basis to the board of directors that monitors risks and policies implemented to mitigate risk exposures.

36.04 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company enters into derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk.

36.05 Credit risk management

Credit risks refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The Company's Board approved financial risk policies comprise liquidity, currency, interest rate and counterparty risk. Financial instruments that are subject to concentrations of credit risk, principally consist of trade receivables, finance receivables, loans and advances and derivative financial instruments. None of the financial instruments of the Company result in material concentrations of credit risks. The Company does not engage in speculative treasury activity but seeks to manage risk and optimise interest and commodity pricing through proven financial instruments.

The credit risk on bank balances and derivative financial instruments is limited because the counterparties are banks with high credit ratings.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. On going credit evaluation is performed on the financial condition of accounts receivable.

The credit risk on bank balances is limited because the counterparties are banks with high credit ratings.

36.06 Liquidity risk management

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company has obtained fund and non-fund based working capital lines from various banks. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Liquidity and interest risk tables

The following tables detail the maturity profile of Company's non-derivative financial liabilities with agreed repayment period. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

				Rs in lakhs
	<u>Current/ Non Current</u>	<u>Carrying amount</u>	<u>1 - 3 months</u>	<u>3 months to 1 year</u>
As at 31.03.2020				
Long term Borrowings	Current	2,990.06	-	2,990.06
Trade payables	Current	1,070.56	1,070.56	-
		<u>4,060.62</u>	<u>1,070.56</u>	<u>2,990.06</u>
As at 31.03.2019				
Long term Borrowings	Current	3,146.61	-	3,146.61
Trade payables	Current	1,128.60	1,128.60	-
		<u>4,275.21</u>	<u>1,128.60</u>	<u>3,146.61</u>

Notes forming part of the Consolidated Financial Statements (contd.)

36.7 Fair value measurements

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 3.13 to 3.15.

Financial assets and Liabilities

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosure are required):

As at March 31, 2020						
	Current/ Non Current	Fair Value through Other Profie or Loss	Fair Value through OCI	Amortised Cost	Total Carrying Value	Total Fair Value
Financial Assets:						
Investments in equity instruments	Non Current	-	511.11	-	511.11	511.11
Investments in preference shares	Non Current	3,596.76	-	-	3,596.76	3,596.76
Loans	Non Current	-	-	534.67	534.67	534.67
Trade receivables	Current	-	-	1,377.30	1,377.30	1,377.30
Cash and cash equivalent	Current	-	-	16.56	16.56	16.56
Other balances with Bank	Current	-	-	33.06	33.06	33.06
Loans	Current	-	-	312.78	312.78	312.78
Other financial assets	Current	-	-	387.05	387.05	387.05
Total		3,596.76	511.11	2,661.42	6,769.29	6,769.29
Financial Liabilities						
Borrowings	Current	-	-	2,990.06	2,990.06	2,990.06
Trade payables	Current	-	-	1,070.56	1,070.56	1,070.56
Other financial liabilities	Current	-	-	57.41	57.41	57.41
Total		-	-	4,118.03	4,118.03	4,118.03
As at March 31, 2019						
	Current/ Non Current	Fair Value through Other Profie or Loss	Fair Value through OCI	Amortised Cost	Total Carrying Value	Total Fair Value
Financial Assets:						
Investments in equity instruments	Non Current	-	1,237.05	-	1,237.05	1,237.05
Investments in preference shares	Non Current	3,596.76	-	-	3,596.76	3,596.76
Loans	Non Current	-	-	448.71	448.71	448.71
Trade receivables	Current	-	-	1,378.51	1,378.51	1,378.51
Cash and cash equivalent	Current	-	-	17.88	17.88	17.88
Other balances with Bank	Current	-	-	40.15	40.15	40.15
Loans	Current	-	-	921.98	921.98	921.98
Other financial assets	Current	-	-	3.26	3.26	3.26
Total		3,596.76	1,237.05	2,810.49	7,644.30	7,644.30
Financial Liabilities						
Borrowings	Current	-	-	3,146.61	3,146.61	3,146.61
Trade payables	Current	-	-	1,128.60	1,128.60	1,128.60
Other financial liabilities	Current	-	-	77.44	77.44	77.44
Total		-	1,237.05	4,352.65	4,352.65	4,352.65

Notes forming part of the Consolidated Financial Statements (contd.)

Fair Value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 — Inputs are other than quoted prices included within 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 are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

₹ in lakhs

	As at 31.03.2020			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Investments in equity instruments	-	-	511.11	511.11
Investments in preference shares	-	-	3,596.76	3,596.76
	-	-	4,107.87	4,107.87
	As at 31.03.2019			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Investments in equity instruments	-	-	1,237.05	1,237.05
Investments in preference shares	-	-	3,596.76	3,596.76
	-	-	4,833.81	4,833.81

37 Related party transactions

List of related parties and relationship

Name of the related party	Nature of Relationship	Business	Country of Incorporation	Incorporation details
KDC Nirman Limited	Subsidiaries	Real estate development	India	04.03.2008
Bengal KDC Housing Development Limited	Subsidiaries	Housing projects	India	28.06.2006
Kaushalya Energy Private Limited	Subsidiaries	Generation and distribution of power	India	15.09.2008
Azur Solar KDC Private Limited	Step Down Subsidiary	Generation and Distribution of Solar Power	India	19.05.2010
Kaushalya Nirman Private Limited	Associates	Real estate development	India	05.09.2006
Orion Abasaan Private Limited	Associates	Housing projects	India	05.09.2006
Kaushalya Township Private Limited	Associates	Real estate development	India	05.09.2006
KIDCO NACC JV	Joint Venture	Construction of Small Hydro Power Project	India	01.07.2009
Mahesh Mehra	Whole Time Director of Holding Company			
Ramesh Kumar Mehra	Director of Subsidiary Company			
Prashant Mehra	Managing Director of Subsidiary Company			
Asoke Das	Independent Director of Holding & Subsidiary Company			
Minoti Nath	Independent Director of Holding & Subsidiary Company			
Sandip Sarkar	Independent Director of Holding Company			
Ashok Kumar Roychoudhury	Independent Director of Subsidiary Company			
Tarak Nath Mishra	Chief Financial Officer of Holding Company			
Sanjay Lal Gupta	Company Secretary of Holding Company			
Puja Singh	Company Secretary of Subsidiary Company			
Neeru Mehra	Spouse of Brother of Whole Time Director			
Kartik Mehra	Son of Whole Time Director			
Karan Mehra	Son of Whole Time Director			

Notes forming part of the Consolidated Financial Statements (*contd.*)

Particulars	KMP & Close members of their family	Subsidiaries/ Associates/ JV	Total	Outstanding as on March 31, 2020	Outstanding as on March 31, 2019
Remuneration /Commission paid to KMP					
Mahesh Mehra, Whole Time Director	11.40	-	11.40	0.85	-
Prashant Mehra	3.44	-	3.44	3.27	-
Ramesh Kumar Mehra	15.00	-	15.00	1.05	-
Karan Mehra, Son of Mahesh Mehra	4.00	-	4.00	-	-
Tarak Nath Mishra, CFO	5.28	-	5.28	-	-
Sanjay Lal Gupta, Company Secretary	2.10	-	2.10	-	-
Puja Singh	0.70	-	0.70	-	-
Total	41.92	-	41.92	5.17	-
Previous Year					
Mahesh Mehra	11.40	-	11.40	-	-
Prashant Mehra	3.57	-	3.57	-	3.21
Ramesh Kumar Mehra	15.00	-	15.00	-	-
Kartik Mehra	1.20	-	1.20	-	-
Karan Mehra	4.80	-	4.80	-	-
Tarak Nath Mishra	5.28	-	5.28	-	0.44
Sanjay Lal Gupta	2.10	-	2.10	-	0.18
Puja Singh	2.10	-	2.10	-	0.18
Total	45.45	-	45.45	-	4.01
Sitting Fee to directors					
Asoke Das	0.49	-	0.49	-	-
Sandip Sarkar	0.21	-	0.21	-	-
Ashok Kumar Roychoudhury	0.15	-	0.15	-	-
Minoti Nath	0.64	-	0.64	-	-
Total	1.48	-	1.48	-	-
Previous Year					
Asoke Das	0.60	-	0.60	-	-
Anil Kumar Agarwal	0.30	-	0.30	-	-
Minoti Nath	0.64	-	0.64	-	-
Ashok Kumar Roychoudhury	0.14	-	0.14	-	-
Total	1.68	-	1.68	-	-
Rent Paid					
Neeru Mehra	6.00	-	6.00	0.45	-
Total	6.00	-	6.00	0.45	-
Previous Year					
Neeru Mehra	6.00	-	6.00	-	-
Total	6.00	-	6.00	-	-
Advance repaid					
Kidco NACC JV	-	3.74	3.74	89.65	-
Total	-	3.74	3.74	89.65	-
Previous Year					
Kidco NACC JV	-	-	-	-	93.39
Total	-	-	-	-	93.39

Notes forming part of the Consolidated Financial Statements (contd.)

	As at 31.03.2020 ₹ in lakhs	As at 31.03.2019 ₹ in lakhs
38 Disaggregation of Revenue from contracts with customers		
India		
Revenue from operations		
a) Contracts receipts	—	—
b) Receipts from hotel	11.68	15.42
c) Revenue from agricultural business	6.37	7.05
	18.05	22.47
Contract Assets		
Trade receivables	1,377.30	1378.51
Contract Liabilities		
Advance from customers	—	—

39 Statement of net assets and profit or loss attributable to owners and non-controlling interests

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in Total Comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
A Parent								
Kaushalya Infrastructure Development Corporation Limited	96.58%	4,029.32	109.24%	(546.98)	99.81%	(208.99)	106.46%	(755.97)
Subsidiaries								
Indian								
Azur Solar Private Limited	(0.01%)	(0.27)	0.74%	(3.70)	0.00%	-	0.52%	(3.70)
KDC Nirman Limited	0.42%	17.62	(0.10%)	0.50	0.00%	-	(0.07%)	0.50
Bengal KDC Housing Development Ltd.	2.96%	123.34	(10.02%)	50.15	0.19%	(0.40)	(7.01%)	49.74
Kaushalya Energy Private Limited	0.05%	1.97	0.14%	(0.69)	0.00%	-	0.10%	(0.69)
	100.00%	4,171.98	100.00%	(500.72)	100.00%	(209.39)	100.00%	(710.12)
B Non - Controlling Interest								
Subsidiaries								
Azur Solar Private Limited		(0.01)		(0.20)		-		(0.20)
KDC Nirman Limited		8.63		0.24		-		0.24
Bengal KDC Housing Development Ltd.		60.44		24.58		(0.20)		24.38
Kaushalya Energy Private Limited		(2.89)		(0.06)		-		(0.06)
		66.17		24.56		(0.20)		24.36
C Associates (Investment as per the equity method)								
Kaushalya Township Private Limited		-		-		-		-

Notes forming part of the Consolidated Financial Statements (*contd.*)

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in Total Comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Kaushalya Nirman Private Limited		-		(104.41)		(0.12)		(104.53)
Orion Abasaan Private Limited		-		(9.88)		-		(9.88)
		-		<u>(114.29)</u>		<u>(0.12)</u>		<u>(114.41)</u>
Less: Consolidation Adjustments	(0.07%)	(284.61)	4.92%	(24.62)	0.96%	(2.01)	3.75%	(26.63)
Total (A) + (B) + (C)		<u>3,953.54</u>		<u>(615.07)</u>		<u>(211.72)</u>		<u>(826.79)</u>

40 Approval of financial statements

The financial statements were approved for issue by the board of directors on 31st July, 2020

As per terms of our report attached.

For Monu Jain & Company
 Firm Regn. No. 327900E
Chartered Accountants

For and on behalf of the Board of Directors

Mahesh Mehra Whole-time Director	Tarak Nath Mishra CFO	Sanjay Lal Gupta Company Secretary
--	---------------------------------	--

Monu Jain
Partner
 Membership No. 302721
 Place : Kolkata
 Date : 31st July, 2020



If undelivered Please Return to :
Kaushalya Infrastructure Development Corporation Ltd.
CIN : L51216WB1992PLC055629
HB 170, Sector III, Salt Lake
Kolkata - 700 106