



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Ramesh Kumar Mehra

Chairman

Mr. Prashant Mehra

Managing Director

Mr. Mahesh Mehra

Whole-time Director

Mr. Parag Keshar Bhattacharjee

Independent Director

Mr. Rajesh Kumar Agarwal

Independent Director

Mr. Sakti Pada Banerjee

Independent Director

(upto 25.06.2014)

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Tarkeshwar Singh

REGISTRAR AND

SHARE TRANSFER AGENT

C B Management Services (P) Ltd.

P-22, Bondel Road

Kolkata - 700 019

Tel : 91-33-22806692/93/94/2486

Fax : 91-33-22870263

Website : www.cbmsl.com

STATUTORY AUDITORS

M/s. Sumanta & Co.

Chartered Accountants

5, Raja Subodh Mullick Square

2nd Floor, Kolkata - 700 013

Phone : 033 4003 2526

e-mail : sumanta_co@yahoo.com

BANKERS

Indian Overseas Bank

State Bank of India

REGISTERED OFFICE

HB 170, Sector III

Salt Lake

Kolkata - 700106

CIN - L51216WB1992PLC055629

Tel : 91-33-2334 4148

Fax : 91-33-2334 4148

Website : www.kaushalya.net

E mail : info@kaushalya.net

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Notice

Notice is hereby given that the Twenty Second (22nd) Annual General Meeting (AGM) of the Members of **KAUSHALYA INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED** will be held on Tuesday, the 30th day of September, 2014 at 11:00 a.m. at Aikatan, Eastern Zonal Cultural Centre, IA 290, Sector-III Salt Lake, Kolkata- 700097 to transact the following businesses:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2014, the Statement of Profit & Loss for the year ended on that date and the report of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Mahesh Mehra (holding DIN-00086683), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration 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 M/s Sumanta & Co., Chartered Accountants (Firm Regn. No.322554E) be and are hereby re-appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the Twenty Fifth Annual General Meeting (i.e. 3 Years) of the Company subject to ratification of the appointment by the members at every AGM held after this AGM at a remuneration to be decided by the Board of Directors in consultation with the Statutory Auditors of the Company.”

SPECIAL BUSINESS:

4. Appointment of Mr. Parag Keshar Bhattacharjee 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**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 160 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Parag Keshar Bhattacharjee (holding DIN-00081899), Independent Director of the Company in respect of whom the Company has received notice in writing from a member under section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term upto 31st March, 2019 and whose office shall not, henceforth, be liable to determine by retirement of directors by rotation.”

5. Appointment of Mr. Rajesh Kumar Agarwal 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**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 160 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment

thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Rajesh Kumar Agarwal (holding DIN-00431195), Independent Director of the Company in respect of whom the Company has received notice in writing from a member under section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31st March, 2019 and whose office shall not, henceforth, be liable to determine by retirement of directors by rotation.”

6. Re-appointment of Mr. Prashant Mehra, Managing Director for a term of 3(three) years w.e.f. 01.10.2014.

To consider and if thought fit to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203, and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V to the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 and subject to approval of the Central Government, if necessary, and subject to all such approvals as may be required, the approval of the members be and is hereby accorded to the re-appointment of Mr. Prashant Mehra (holding DIN-00086725) as Managing Director of the Company for a further period of 3 years with effect from 1st October, 2014 to 30th September, 2017 whose office liable to retire by rotation and on the terms and conditions as set out in the explanatory statement annexed hereto, with liberty to the Board of Directors (“the Board”) to alter and vary the terms and conditions of the appointment and remuneration in such manner as may be permitted in accordance with the provisions of the Companies Act, 2013 and Schedule V or any modification thereto and as may be agreed to by and between the Board and Mr. Prashant Mehra.

FURTHER RESOLVED THAT in the event of absence or inadequacy of profit in any financial year during his term of office as Managing Director, Mr. Prashant Mehra will be paid in accordance with the provisions of schedule V to the Companies Act, 2013 or any modification(s) thereto.

FURTHER RESOLVED THAT the Board be and is hereby authorized to do and perform all such acts, deeds, matter and things as may be considered desirable or expedient to give effect to this resolution.”

7. To Borrow money in excess of paid share capital and free reserves.

To consider and, if through fit, to give assent dissent to the following resolution as a **Special Resolution**:

“RESOLVED THAT in supersession of the resolution passed by shareholders under section 293(1)(d) of the Companies Act, 1956 and pursuant to section 180(1)(c) of the Companies Act, 2013 read with the Companies (Management and Administration) rules, 2014 (including any statutory modification(s) and re-enactment thereof, for the time being in force) and any other applicable laws and provisions of Article of Association of the Company, consent of the Company be and is hereby accorded to

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the Board of Directors (Board) of the Company and/or any committee thereof, to borrow such money or such sum of money, from time to time at its discretion, with or without security, and upon and upon such terms and condition as Board may think fit for the purpose of business of the Company notwithstanding that the money to be borrowed together with money already borrowed by the Company (apart from temporary loans obtained from Companies bankers in ordinary course of business), will exceed paid up share capital of the Company and its free reserves, provided that the total amount borrowed and outstanding at any point of time shall not exceed a sum of ₹ 500 Crores (Rupees Five Hundred Crores Only) in Indian rupees and/or to equivalent amount in any foreign currency.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matter and things as may be necessary and expedient and also to delegate all or any of the above

Name of Related Party	Nature of transaction(s)
Bengal KDC Housing Dev Ltd	Rendering Infrastructural, Construction and Engineering services
Bengal Kaushalya Nirman Ltd	Rendering Infrastructural, Construction and Engineering services
Azur Solar KDC Private Ltd	Rendering and construction of solar power
Orion Abasan Private Ltd	Rendering Infrastructural, Construction and Engineering services
Kaushalya Township Private Ltd	Rendering Infrastructural, Construction and Engineering services
Kaushalya Nirman Private Ltd	Rendering Infrastructural, Construction and Engineering services
Kaushalya Energy Private Ltd	Rendering Infrastructural, Construction and Engineering services

FURTHER RESOLVED THAT the approval of the members of the company be and is hereby accorded for entering into contracts/arrangement with related parties viz. Subsidiaries of the Company (whether wholly owned or otherwise) and whether in existence or will come into existence in future as per agreement/bid conditions, from the financial year and onwards up to maximum amount of ₹ 60 crores (Rupees Sixty Crores).

FURTHER RESOLVED THAT the Board of Directors be and is hereby authorized to do all such acts, deeds and things or take such steps or actions which they may deem necessary in this respect.

power to the committee of the Directors or any other officers of the Company and generally to do all acts, deeds, matters and things that may be necessary, proper expedient, or incidental thereto for the purpose of giving effect to the above resolution."

- Transactions with Related Party u/s 188 of the Companies Act, 2013.

To consider and if thought fit, to pass with or without modification (s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to Clause 49 of the Listing Agreement as amended by Notification dated 17th April 2014 and Section 188 of the Companies Act, 2013 (Act), if applicable and other applicable provision of the Act, if any, consent of the member of the Company be and is hereby accorded for continuation of the following existing related party transaction(s) between the Company and its subsidiary as per the terms and conditions specified in the respective contracts :

FURTHER RESOLVED THAT the Board of Directors be and is hereby authorized to delegate all or any of the powers conferred on it by or under this resolution to any committee of Directors or to any Directors of the Company in order to give effect to this Resolution"

By Order of the Board

Kaushalya Infrastructure Development Corporation Ltd

Dated : August 29, 2014
Place : Kolkata

Tarkeshwar Singh
Company Secretary

NOTES

- Every member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself / herself and such proxy need not be a member of the company. The proxy forms should be duly stamped, completed, signed and deposited at the registered office of the company not less than 48 hours before commencement of the meeting. A person can act as proxy on behalf of the members not exceeding fifty (50) and holding aggregate not more than ten percent (10%) of the total share capital of the company carrying voting rights. A member holding more than ten percent (10%) of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- The Register of Members and Share Transfer Books of the Company will remain closed from 29th September, 2014 to 30th September, 2014 (both days inclusive).
- The statement pursuant to Section 102 of the Companies

Act, 2013 relating to special business of the meeting, is annexed thereto.

- Members who hold shares in dematerialised form are requested to bring their Demat Statement mentioning therein the Client ID and DP ID numbers along with a photo Identity Card for easy identification of attendance at the meeting.
- 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.
- Shareholders holding shares in physical form are requested to advise the company and the members holding shares in dematerialized form are requested to advise their Depository Participants immediately about any change in their address.
- Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form can

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be downloaded from the Company's website: www.kaushalya.net under the section 'Investor Relationship'.

8. Notice of the 22nd Annual General Meeting along with the Annual Report 2014 of the Company is being sent to all the members in the electronic mode, whose email address are registered with the Depository Participants(s)/Company, unless any member has requested for a hard copy of the same and for members who have not registered their email address, physical copy of above documents is being sent.
9. Members may also note that the Notice of 22nd Annual General Meeting and the Annual Report 2014 will also be available on company's website: www.kaushalya.net for download.
10. The members who have not yet registered their e-mail address are requested to do so to support the green initiative in the Corporate Governance and in compliance of rule 18 (3) (i) of Companies (Management and Administration) Rule 2014.
11. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours on all working days upto the date of AGM.
12. Members holding shares in physical mode are requested to provide their email id, CIN/Regn. No. (for corporate members), Unique Identification No., PAN, in case member is minor than date of birth of minor and name of guardian, declaration regarding beneficial ownership (if any), nomination details, lien details (if any), particulars of dividend mandate etc. and such other information as mentioned under section 88 (1)(a) of the Companies Act, 2013 and rule 3(1) of the Companies (Management and Administration) Rules, 2014 for receiving all communications/documents electronically. Members holding in demat mode are requested to provide the above information to their depository participant.
- Members holding in demat mode are requested to provide the above information to their depository participant.
13. The Directors seeking appointment have furnished the requisite declarations.
14. **E-voting Process :**

In compliance with the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide e-voting facility to cast the vote electronically to the members in relation to the businesses to be transacted at the 22nd Annual General Meeting to be held on Tuesday, the September 30, 2014 at 11.00 a.m. at

at Aikatan, Eastern Zonal Cultural Centre, IA 290, Sector-III Salt Lake, Kolkata-700097.

The Company has engaged the services of Central Depository Services (India) Ltd (CDSL) to provide e-voting. The e-voting facility is available at the link www.evotingindia.com.

The e-voting facility will be available during the following voting period :

Commencement of e-voting	From : 10.00 a.m. of September 24, 2014
End of e-voting period	Upto : 6.00 p.m. of September 26, 2014

E-voting shall not be allowed beyond 6.00 p.m. of September 26, 2014. During the e-voting period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the Cut-off-Date (22nd August 2014) may cast their votes electronically. The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date for the purpose of e-voting i.e. 22nd August, 2014.

Please read the instructions given herein below for exercising vote :

These details and instructions form an integral part of the Notice calling 22nd Annual General Meeting of the Company to be held on Tuesday, September 30, 2014 at 11.00 a.m. at Aikatan, Eastern Zonal Cultural Centre, IA 290, Sector-III Salt Lake, Kolkata - 700097.

INSTRUCTIONS FOR E-VOTING

Members are requested to follow the below mentioned instructions to cast their vote through e-voting:

- (i) Log on to the e-voting website www.evotingindia.com during the voting period and Click on "Shareholders" tab.
- (ii) Now enter your user ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 alpha numeric DP ID followed by 8 digits client ID). Members holding shares in Physical Form should enter the Folio Number registered with the Company and then enter the Characters as displayed on the screen and Click on Login.
- (iii) If you are holding shares in Demat form and had logged on to www.evotingindia.com and casted your vote earlier for any company, then your existing password is to be used. If you are a first time user, follow the steps given below:
- (iv) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders): - Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. 8 Digit Sequence number available on ATTENDANCE SHEET. - E.g. if your name is Ramesh Kumar with sequence number 12345678 then enter RA12345678 in the PAN field.	

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DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details #	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. # Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company, please enter (default value (*****)).

- (v) After entering these details appropriately, click on "SUBMIT" TAB.
- (vi) Members holding shares in physical form will then reach directly to the EVSN selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that the password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (viii) Click on **EVSN No. 140823037** for KAUSHALYA INFRASTRUCTURE DEVELOPMENT CORP LTD.
- (ix) On the voting page, you will see Resolution description and against the same, the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the resolution and option NO implies that you dissent to the Resolution.
- (x) Click on the "Resolutions File link" if you wish to view the entire set of Resolutions.
- (xi) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xiv) If you are a Demat account holder and have forgotten your password then enter the User ID and then enter the Characters as displayed and click on Forgot Password & enter the relevant details as promoted by the system.
- (xv) **Note for Corporate Shareholders:**
Corporate Shareholders {i.e. other than individuals, HUF, NRI, Trust (non-registered)} are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
A scanned copy of the Registration Form bearing the respective Corporate's stamp and duly signed should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details, they have to create a compliance user which should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution in favour of Authorized Person and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xvi) The e-voting period begins on September 24, 2014 (10.00 A.M.) and ends on September 26, 2014 (6.00 P.M.). During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the Cut-off-Date of August 22, 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. In case you have any queries or issues regarding e-voting, you may refer to the Frequently Asked Questions ("FAQ's") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com
- (xvii) Mr. Abhishek Kumar Pandey, Practising Company Secretary, Kolkata (ACS No – 33116 & CP No. 12294) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witness not in employment of the Company and make a Scrutinizer's Report of the Votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- (xviii) The results of e-voting shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company Website: www.kaushalya.net and on the website of CDSL and the same be communicated to the Stock Exchange(s).
- (xix) In case of Members receiving the physical copy :
Please follow all steps from SI. No. (i) to (xviii) above to cast vote.
15. Kindly note that once you have cast your vote, you cannot modify or vote on poll at the Annual General Meeting. However, you can attend the meeting and participate in the discussions, if any. The scrutinizer will submit his final report to Chairman of the company within three working days after the conclusion of e-voting period.
16. The results of annual general meeting shall be declared by the Chairman or his authorized representative or any one Director of the Company on or after annual general meeting within the prescribed time limits.
17. The scrutinizer's decision on the validity of e-voting will be final.

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EXPLANATORY STATEMENT

Pursuant to Section 102(1) of the Companies Act, 2013 in respect of special business at Item No(s). 4 – 8

Item No. 4

Mr. Parag Keshar Bhattacharjee (holding DIN 00081899) is a Non-Executive Independent Director of the Company pursuant to Clause 49 of the Listing Agreement. He joined the Board of Directors of your Company in May 2006. He is Chairman of the Nomination and Remuneration Committee and member of the Audit Committee and Chairman of Stakeholders Relationship Committee of the Board of Directors of the Company.

Mr. Parag Keshar Bhattacharjee is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act 2013, Mr. Parag Keshar Bhattacharjee being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019. A notice has been received from a member proposing Mr. Parag Keshar Bhattacharjee as a candidate for the office of Director of the Company at the forthcoming Annual General Meeting.

Profile of Mr. Parag Keshar Bhattacharjee

Date of Birth: January 18, 1939.

Qualification: Masters in Economics and CAIIB.

Expertise in specific functional areas: Mr. Parag Keshar Bhattacharjee, have held various positions within the State Bank of India and retired in January 1999 as Deputy Managing Director & Chief Financial Officer. He is rich experience in various corporate fields.

Directorship in other Companies: Cheviot Company Ltd, Global Investment Trust Ltd, Kilburn Chemicals Ltd, Quipo Telecom Infrastructure Ltd, SBI Home Finance Ltd, Ativir Financial Consultants Private Ltd, Optimum Infratel Private Ltd, Resurgent Infratel Private Ltd, Right Towers Private Ltd.

Membership/Chairmanship in any other Board Committee: 5 (Five).

Shareholding as on 31.03.2014: Nil.

Mr. Bhattacharjee has wide experience in Infrastructure, Corporate Governance, Banking, Insurance, Pension and Finance.

The Board considers that the Company would be benefited by his rich experience and guidance. Pursuant to Section 149 of the Companies Act, 2013, Mr. Parag Keshar Bhattacharjee shall hold office of a Director for five consecutive years for a term upto 31st March, 2019.

Your Company has also received declaration from Mr. Parag Keshar Bhattacharjee that he meets with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013.

Copy of the draft letter for appointment of Mr. Parag Keshar Bhattacharjee as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday, between 12.00 p.m. and 3.00 p.m. up to the date of the Meeting.

Mr. Parag Keshar Bhattacharjee is interested in the resolution set out at Item No.4 of the Notice with regard to his appointment. The relatives of Mr. Parag Keshar Bhattacharjee may be deemed to be interested in the resolution, to the

extent of their shareholding interest, if any, in the Company.

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.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement.

The Board of Directors, therefore, recommends the resolution for approval of the members.

Item No. 5

Mr. Rajesh Kumar Agarwal (holding DIN 00431195) is a Non-Executive Independent Director of the Company pursuant to Clause 49 of the Listing Agreement. He joined the Board of Directors of your Company in May 2006. He is Chairman of the Audit Committee and member of the Nomination and Remuneration Committee of the Board of Directors of the Company.

Mr. Rajesh Kumar Agarwal is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act 2013, Mr. Rajesh Kumar Agarwal being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019. A notice has been received from a member under section 160 of the Companies Act, 2013 proposing Mr. Rajesh Kumar Agarwal as a candidate for the office of Director of the Company at the forthcoming Annual General Meeting.

Profile of Mr. Rajesh Kumar Agarwal

Date of Birth: April 09, 1971.

Qualification: B.com(Hons), FCA, DISA.

Expertise in specific functional areas: Mr. Rajesh Kumar Agarwal is the practicing Chartered Accountant by profession He is practicing as Chartered Accountants for more than 15 Year . He has wide range of experience in Corporate Finance and Tax, Corporate Law, Mergers and Acquisitions, Service Tax, Consultancy, etc He is rich experience in various corporate fields.

Directorship in other Companies: Nagancheji Credit Private Ltd, Sumeru Vanijya Private Ltd, Hanumanji Housing Private Ltd, Everest Commerce Private Ltd, Royal Dealers Private Ltd, Bajrang Conclave Private Ltd, Aayush Motar Finance Private Ltd, Ridhiraj Dealers Private Ltd, Remind Commercial Private Ltd, Paramdham Dealers Private Ltd, Vee Aar E-Services Private Ltd.

Membership/Chairmanship in any other Board Committee: Nil

Shareholding as on 31.03.2014: Nil

Mr. Rajesh Kumar Agarwal has wide experience in Finance, Taxation, Corporate Law, Accounts, Audit, Corporate Governance, and Infrastructure.

The Board considers that the Company would be benefited by his rich experience and guidance. Pursuant to Section 149 of the Companies Act, 2013, Mr. Rajesh Kumar Agarwal shall hold office of a Director for five consecutive years for a term upto 31st March, 2019.

Your Company has also received declaration from Mr.

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Rajesh Kumar Agarwal that he meets with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013.

Copy of the draft letter for appointment of Mr. Rajesh Kumar Agarwal as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturdays, between 12.00 p.m. and 3.00 p.m. up to the date of the Meeting.

Mr. Rajesh Kumar Agarwal is interested in the resolution set out at Item No.5 of the Notice with regard to his appointment. The relatives of Mr. Rajesh Kumar Agarwal may be deemed to be interested in the resolution, to the extent of their shareholding interest, if any, in the Company.

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.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement.

The Board of Directors, therefore, recommends the resolution for approval of the members.

Item No. 6

The Board of Directors at its meeting held on 29th August, 2014 have, on the recommendation of Nomination and Remuneration Committee approved the re-appointment of Mr. Prashant Mehra (holding DIN 00086725) as Managing Director of the Company for a further period of 3 years with effect from 1st October, 2014 on the remuneration as per terms of agreement set out with the Board and subject to Central Government approval if any required. A special resolution has to be passed at the forthcoming Annual General Meeting of the Company for payment of such remuneration for a period of 3 years with effect from 1st October, 2014. The remuneration and perquisites mentioned herein below as per the terms of agreement between the Company and Mr. Mehra on dated 29th August, 2014 :

1. Tenure of the Agreement: From October 01, 2014 to September 30, 2017.
2. Remuneration:

Salary : ₹ 1,50,000/- per month with such revision as the board may approve from time to time in the salary grade of ₹ 1,50,000/- to ₹ 3,00,000/-.

However, in case of absence or inadequacy of net profit in the any financial year, the remuneration payable to Mr. Prashant Mehra is restricted to part II Section II of Schedule V of the Companies Act, 2013 and (including any statutory modification(s) or re-enactment thereof, for the time being in force).
3. Perquisites:
 - a. Leave Encashment: As per applicable rules of the Company
 - b. Leave: Mr. Prashant Mehra will be entitled to leave on full pay as per applicable rules of the Company.
 - c. Retrial benefits: Gratuity will be payable in accordance with the rules of the Company and such Gratuity shall not exceed half a month's salary for each completed year of service.

- d. Telephone: Telephone facility including Cell Phone.
- e. Re-imbursement of expenses made for official purpose.
- f. Car: Company's car with driver and owned car fuel expenses for official use.

Explanation:

Perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in absence of any such rules perquisites shall be evaluated at actual cost. In the event of absence or inadequacy of profit during the period Mr. Prashant Mehra shall be paid the above remuneration as minimum remuneration.

General Terms & Conditions

- i. Subject to the supervision and control of the Board of Directors, Mr. Prashant Mehra shall be overall in-charge of Management/ administration of the affairs of the Company. He will look after day to day affairs of the Company including general administration, banking, finance, sales, purchase and accounts.
- ii. Without prejudice to the powers contained in the previous clause, the Board of Directors may from time to time entrust to Mr. Prashant Mehra such of the powers exercisable by the Directors as they think fit, and may confer such powers for such time and to be exercised for such objects and purposes, and upon such terms and conditions, and with such restriction as they may think expedient.
- iii. He shall be entitled to engage and dismiss staff and shall manage the business of the Company with full powers to do all acts, matters and things deemed necessary, proper or expedient for carrying on the business of the Company.
- iv. The Managing Director shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committee thereof from the date of his appointment.
- v. Mr. Prashant Mehra shall also visit such places from time to time, which may be necessary for the purpose of the business of the Company. Mr. Prashant Mehra shall be entitled to reimbursement of all the traveling, boarding, lodging and incidental expenses along with one person for assistance, which he may incur for performing his duties outside Kolkata.
- vi. Mr. Prashant Mehra whose office liable to retire by rotation and he shall immediately cease to be Managing Director if he ceases to hold the office of Director for any reason.
- vii. Mr. Prashant Mehra may with the sanction of the Board of Directors delegate any of his powers to such Managers, Directors, Secretary or other persons, as he may deem fit, and shall have power to grant to such Manager, Directors or other delegates such power of Attorney as Mr. Prashant Mehra may, subject to the approval of the Board of Directors, deem expedient and shall have power to revoke the same.
- viii. The appointment may be terminated by either party by giving 2(two) months notice in writing to the other party.

Mr. Prashant Mehra (Date of Birth 04.04.1978), is B.Sc in Business with highest distinction (with triple majors in Finance, Business Process Management and Operation Management) having 10 years of experience in infrastructure industry and

Notice

is in overall in-charge of running the affairs of the Company including budgeting, funding, liaising with the investors and Corporate affairs. The Company has made growth under his leadership. He is a dynamic new generation entrepreneur. As a Managing Director, he has played a significant role in making the Company one of the key infrastructure player in the State of West Bengal. Under his able guidance and direction, the Company has executed various infrastructure projects in various parts of the country. As Managing Director of the Company, he has successfully steered the Company in the right direction. Considering his rich and vast experience and exceptional managerial skills, the Board of Directors felt that it would be in the best interest of the Company to re-appoint him as Managing Director of the Company.

He is also director in Bengal KDC Housing Development Ltd, Bengal Kaushalya Nirman Ltd, Kaushalya Energy Private Ltd and Azur Solar KDC Private Ltd. He is not a member of any board committee except in the Company. He is holding 917760 equity shares of the Company as on 31.03.2014. The remuneration proposed to be paid to Mr. Prashant Mehra is justified having regard to the nature of service required from him and the responsibility which he is called upon to bear as Managing Director of the Company.

The Agreement dated 29th August, 2014 will be open for inspection by the members at the registered office of the Company on any working day during business hours except on Saturday.

Mr. Prashant Mehra satisfy all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for their re-appointment. They are not disqualified from being appointed as Directors in terms of Section 164 of the Act. The above may be treated as a written memorandum setting out the terms of re-appointment of Mr. Prashant Mehra under Section 190 of the Act.

Mr. Prashant Mehra is interested in the Resolution set out in Item No. 6. Mr. Ramesh Kumar Mehra being father of Mr. Prashant Mehra be deemed to be interested in the said Resolution. Other relatives of Mr. Prashant Mehra may be deemed to be interested in the resolution to the extent of their shareholding, if any, in the company. Mr. Prashant Mehra and Mr. Ramesh Kumar Mehra have no other interest apart from receiving remuneration as stated above and as a member of the Company.

No other directors or KMP or their relatives have any concern or interest, financial or otherwise, in the proposed resolution. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement.

The Board recommends the acceptance of the Resolution.

The Board of Directors, therefore, recommends the resolution for approval of the members.

Item 7

Your Company is planning for future expansion. In view of that the Company may require sufficient funds for its business by way of borrowings by all possible means from time to time.

The existing borrowing power of Board of Directors of the Company u/s 203(1)(d) of the erstwhile Companies Act, 1956 are ₹ 500 Crores (Rupees Five Hundred Crores) as approved by shareholders in its general meeting of the Company held

on 19th April, 2006 (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) over and above the paid up capital of the Company and its free reserves, for the business of the Company. The Ministry of Corporate Affairs vide its General Circular no. 04/2014 dated 25th March, 2014 has clarified that the borrowing powers as approved by the members of the Company u/s 293(1)(d) of the Companies Act, 1956 shall be remained valid for a period of one year from the date of notification of section 180(1)(c) of Companies Act, 2013 i.e. 12/09/2013. Thus the Company requires/is in need of a fresh approval of members for borrowing money over and above paid up share capital of the Company and its free reserves under new section 180(1)(c) of the Companies Act, 2013.

The Board of Directors of the Company keeping in mind the future business requirements and expansion of the business of the Company proposed to borrow money upto ₹ 500 Crores (Rupees Five Hundred Crores). In terms of section 180(1)(c) of the Companies Act, 2013 for borrowing money more than paid up share capital of the Company and its free reserves, the approval of shareholder is required.

The Board recommends the special resolution for shareholders approval. None of the Directors or Key Managerial Person or their relative are, in any way, are concerned or interested in the resolution except to the extent of their shareholding in the Company.

The Board of Directors, therefore, recommends the resolution for approval of the members.

Item 8

Bengal KDC Housing Development Ltd, Bengal Kaushalya Nirman Ltd, Orion Abasan Private Ltd, Kaushalya Township Private Ltd, Azur Solar KDC Private Ltd, Kaushalya Energy Private Ltd and Kaushalya Nirman Private Ltd are Subsidiary/ or fellow subsidiary of Kaushalya Infrastructure Dev Corp Ltd (KIDCO or the Company) which are engaged in the business of construction, infrastructure, engineering and solar power. Accordingly the each subsidiaries and KIDCO entered/or will enter into an agreement for doing above said business. For the doing above business subsidiaries may receive funds from KIDCO from time to time as may be necessary provided that the total amount at any point of time shall not exceed as sum of ₹ 60 crores (Rupees Sixty Crores) for each subsidiary respectively for the above mentioned business purpose.

Members are hereby informed pursuant to second proviso of Section 188(1) of the Act as well as the listing agreement that no member of the Company shall vote on such special resolution to approve any contract or arrangement which may be entered into by the Company, if such member is a related party.

None of the Directors or key managerial personnel's of the Company or their relatives are concerned or interested in the resolution except to the extent of their shareholding in the Company, if any. Only Mr. Ramesh Kumar Mehra, Mr. Mahesh Mehra and Mr. Prashant Mehra, Directors of the company are concerned or interested in the said resolution and their relatives are concerned or interested in the resolution except to the extent of their shareholding in the Company, if any.

The Board of Directors, therefore, recommends the resolution for approval of the members.

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The statement as required under Clause (iv) Section II, Part II of the Schedule V of the Companies Act, 2013 with reference to the item no(s). 6 are as follows:

I. General Information

1. Nature of Industry: Construction, Infrastructure and engineering.
2. Date or expected date of commencement of commercial production:

Existing Company, already commenced from 1992.

3. In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus :

Existing Company, not applicable

4. Financial performance based on given indicators:

Sl No	Particulars	Audited Figure for the financial year ended 31.03.2014 (in ₹)	Audited Figure for the financial year ended 31.03.2013 (in ₹)	Audited Figure for the financial year ended 31.03.2012 (in ₹)	Audited Figure for the financial year ended 31.03.2011 (in ₹)
1	Net Sales/Income from Operation	152,167,745	261,868,289	1,037,147,491	915,043,551
2	Other Income	3,531,293	2,204,225	3,646,800	4,878,175
3	Total Expenditure (including Adjustment of stock)	228,878,580	211,465,788	922,009,555	814,335,735
4	Finance Cost	63,400,569	68,750,281	68,475,470	51,831,411
5	Depreciation & Amortization	3,577,470	3,941,549	4,133,546	4,520,666
6	Profit Before Tax	(140,157,581)	(20,085,104)	46,175,720	49,233,914
7	Provision for tax				
	a. Current Tax	-	-	11,667,387	12,830,083
	b. Deferred Tax	(268,347)	233,864	3,305,170	3,377,845
	c. MAT Credit Write Down/(Entitlement)	-	-	-	-
	d. Income Tax Expenses relating to prior years.	-	-	-	4,393,086
8	Net Profit	(139,889,234)	(20,318,968)	31,203,163	28,632,900

5. Foreign Investment of Collaborators, if any: Nil

II. Information about the Appointee :

1. Background details: Mr. Prashant Mehra (age 36 years), is B.Sc in Business with highest distinction (with triple majors in Finance, Business Process Management and Operation Management) having 10 years of experience in infrastructure industry. He is also director in Bengal KDC Housing Development Ltd, Bengal Kaushalya Nirman Ltd, Kaushalya Energy Private Ltd and Azur Solar KDC Private Ltd.
2. Past remuneration: Salary ₹ 1,15,000/- per month plus commission & perquisites.
3. Recognition or awards: i] In 2005 he received Marketing Impact Award in recognition of exemplary performance, excellence and leadership in customer centric marketing from MICROSOFT. ii] In 2004 December he was awarded with Gold Star Award in Microsoft for Outstanding Performance. iii] In 2001 Mr. Mehra got Royles Keylings Award from Indiana University (U.S) for top person of Graduation Class. iv] In 1988-99-2000 he got recognition with Foundation Day Award for outstanding academic achievement from Indiana University (U.S).
4. Job profile and his suitability: Subject to the supervision and control of the Board of Directors Mr. Prashant Mehra is in overall in-charge of

running the affairs of the Company including Budgeting, Funding, Liaisoning with the Investors and Corporate affairs. He is also looking after the general administration, banking, finance, sales and purchase. He is a dynamic new generation entrepreneur. As a Managing Director he has played a significant role in making the Company one of the key infrastructure player in State of West Bengal. The Company has made significant inroads into the infrastructure sector under his leadership.

5. Remuneration proposed: Salary ₹ 1,50,000/- per month plus commission & perquisites as more fully described in the Explanatory Statement.
6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case expatriates the relevant details would be w.r.t. the country of his origin): The proposed remuneration is comparable with the remuneration drawn by the peers and is necessitated due to complexities of business, larger no. of sites throughout the country and diversified activities.
7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any: Mr. Prashant Mehra is a Promoter Director holding 9,17,760 shares consisting of 2.65% of the paid-up capital of the Company.

Apart from receiving remuneration as stated

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above and dividend as a member of the Company if paid any, he does not receive any emoluments from the Company. Mr. Ramesh Kumar Mehra (Chairman Non-Executive Promoter Director) is the father of Mr. Prashant Mehra. No other managerial personnel have any relationship with Mr. Prashant Mehra.

III. Other Information:

1. Reasons of loss or inadequate profits:

Loss or inadequate profit during the year was a result of lower top line coupled with finance costs, written off of unrealizable debtors as well as cash flow and liquidity issues faced by your company during the year.

2. Steps taken or proposed to be taken for improvement:

Infrastructural being a seasonal industry, the performance of a financial year may not be representative in the next annual performance of the company. The integrated model concept adopted by the Company in regard to real estate operations is expected to offset the Losses from the infrastructural divisions of the Company to some extent and also makes a source of revenue. Construction being a seasonal and cyclical in nature the working results witnessed a phase of upturn &

downturn in the past and normally improve after a downturn.

3. Expected increase in productivity and profits in measurable terms:

Various plans sanctioned for fiscal 2014-15 related to construction and infra sector. The Company got a work order from Rajasthan Awas Vikas Nigam Ltd, Govt. of Rajasthan of ₹ 51.65 Crores and more contracts are expected to come in this fiscal. This will help the company increase its productivity and profit.

IV. Disclosures

The following disclosures mentioned in the Explanatory Statement of Notice and Corporate Governance part of Annual Report of the Company and Notice 2013-14:

- (i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc. of all the directors;
- (ii) Details of fixed component and performance linked incentives along with the performance criteria;
- (iii) Service contracts, notice period, severance fees;
- (iv) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.

Details of Directors seeking appointment/re-appointment at the Annual General Meeting as per clause 49 of the Listing Agreement with the stock exchanges.

Particulars	Mr. Mahesh Mehra
Date of Birth	November 17, 1955
Date of Appointment	June 4, 1992
Educational Qualification	Graduate
Expertise in specific functional areas	He is Director of Company since last 22 Years and has wide experience in the field of Infrastructure development & Construction.
Directorship in other Companies as on March 31, 2014	1. Keleenworth Marketing Pvt. Ltd. 2. Trimurti Components Pvt. Ltd.
Membership/Chairmanship in other Public Companies (only in Audit and Shareholders/ Investor Grievance Committee) as on March 31, 2014	NIL
Number of shares held as on March 31, 2014	48110

Directors' Report

Dear Shareholders,

The Directors are pleased to present the 22nd Annual Report and the Audited Accounts for the financial year ended March 31, 2014.

FINANCIAL PERFORMANCE

The Financial performance of your Company, for the year ended March 31, 2014 is summarized below :-

(₹ in Lacs)

	Standalone				Consolidated			
		31.03.14		31.03.13		31.03.14		31.03.13
Contract Revenue & Other Income		1556.99		2640.73		1564.55		2647.29
Profit before Depreciation, Interest & Tax		(731.80)		526.07		(726.14)		530.67
Less : Depreciation	35.77		39.42		37.20		40.39	
Interest	634.01	669.78	687.50	726.92	635.95	673.15	688.96	729.35
Profit before Tax		(1401.58)		(200.85)		1399.29		(198.68)
Less : Provision for Tax								
Current Tax	-		-				-	
Deferred Tax	(2.68)		2.34		(2.68)		2.34	
Fringe Benefit Tax	-		-		-		-	
Income Tax for Earlier Year		(2.68)		2.34		(2.68)		2.34
Net Profit/(Loss) After Tax		(1398.90)		(203.19)		(1396.61)		(201.02)
Less : Minority Interest		N.A		N.A		0.66		(0.02)
Net Profit After Minority Interest		N.A		N.A		(1397.27)		(201.00)
Balance b/f from previous year		1892.41		2095.60		1872.54		2073.54
Balance available for appropriations		1892.41		1892.41		475.27		1872.54
APPROPRIATIONS								
Transfer to General Reserve		-		-		-		-
Balance Carried to Balance Sheet		493.52		1892.41		475.27		1872.54

OPERATIONS REVIEW

During the year under review on a Standalone basis your Company has achieved total income from operation of ₹1,556.99 Lacs as against ₹2,640.73 Lacs in the previous year. Reduction in top line was due to lower project pipeline during the year coupled with delays in hand over of land in projects on hand. The Loss before depreciation, interest and tax for the year stood to ₹ (731.80) Lacs as compared to ₹530.67 Lacs in previous year. The net loss after tax was ₹ (1,398.90) Lacs. Decline in sales coupled with writeoff of unrecoverable debtors and lower success rates in bids for infrastructure projects resulted in a significantly reduction in PBDIT.

On Consolidated basis, during the year under review the Total Income of your company stood to ₹1564.55 Lacs as against ₹2,647.29 Lacs in the previous year. The loss before tax is ₹(726.13) Lacs as compared to profit of ₹530.67 Lacs in the previous year.

DIVIDEND

The Directors of your company have not recommended any dividend on the Equity Shares for the year under review.

CHANGE IN SHARE CAPITAL

During the year under review, your Company's Authorised

Share Capital has remain unchanged at ₹35,00,00,000 (Rupees Thirty Five Crore) comprising 35,00,000 Equity Shares of ₹10/- each.

During the year under review, your Company's paid-up share capital changed from ₹ 19,60,56,300 (Rupees Nineteen Crores Sixty Lacs Fifty Six Thousand Three Hundred) comprising 1,96,05,630 equity shares of ₹10/- each to ₹34,63,06,300 (Rupees Thirty Four Crores Sixty Three Lacs Six Thousand Three Hundred) comprising of 3,46,30,630 equity shares of ₹10/- each upon conversion of warrants into equity shares.

PUBLIC DEPOSIT AND LOAN/ADVANCES

Your Company has not accepted any deposits from the public, or its employees during the year under review.

Pursuant to Clause 32 of the Listing Agreement, the particulars of loans/advances given to subsidiaries have been disclosed in the Annual Accounts of your company.

SUBSIDIARY COMPANIES

As on 31st March 2014, the Company's subsidiaries and step down subsidiaries are as follows:

1. Bengal KDC Housing Dev. Ltd
2. Bengal Kaushalya Nirman Ltd
3. Kaushalya Township Pvt Ltd

Directors' Report

4. Kaushalya Nirman Pvt Ltd
5. Kaushalya Energy Pvt Ltd
6. Orion Abasaan Pvt Ltd
7. Azur Solar KDC Pvt Ltd (Step down Subsidiary)

CONSOLIDATED FINANCIAL STATEMENTS

As stipulated in Clause 41 of the Listing Agreement entered into with the stock exchanges, your Company has prepared Consolidated Financial Statements in accordance with the relevant Accounting Standards AS-21 and AS-23 issued by the Institute of Chartered Accountants of India (ICAI). The Audited Consolidated Financial Statements along with the Auditors Report thereon form part of the Annual Report.

In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Statement of Profit and Loss and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. The Annual Reports for the financial year 2013-14 of the aforesaid subsidiaries will be made available to the shareholders of the Company upon receipt of written requests from them. The Annual Reports for the financial year 2013-14 of the aforesaid subsidiary companies will also be kept open for inspection by the shareholders at the Registered Office of your Company and of the subsidiaries concerned between 12.00 p.m. to 2.30 p.m. on any working day.

In compliance with the requirements of the MCA Circular, a Statement showing relevant details for the year ended March 31, 2014 of the subsidiaries have been included in the Consolidated Financial Statements of the Company which forms part of this Annual Report. A statement pursuant to Section 212(3) of the Companies Act, 1956 regarding extent of interest of the holding company in its subsidiaries, is attached herewith as Annexure A to this Report.

Your company will make available documents/details of the subsidiary Company upon request by any member or investor of your company/subsidiary Company. The Annual accounts of the subsidiary Company will be kept open for inspection by any investor at the corporate office of your company and also that of the subsidiary Company.

LISTING OF EQUITY SHARES

Your Company's equity shares are listed on the Bombay and National Stock Exchanges. Your Company paid the annual listing fees to each stock exchange.

DIRECTORS

Mr. Sakti Pada Banerjee has resigned as a Director of your company w.e.f. June 25, 2014. The Board places on record their appreciation for the valuable guidance and services rendered by Director of your company.

Mr. Parag Keshar Bhattacharjee (holding DIN-00081899) and Mr. Rajesh Kumar Agarwal (holding DIN-00431195) are the Independent Directors, whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Parag Keshar Bhattacharjee and Mr. Rajesh Kumar Agarwal are being eligible and offer themselves for appointment as Independent Directors for five consecutive years for a term upto 31st March 2019.

Appropriate resolutions seeking your approval for the same

has already been included in the Notice of the Annual general Meeting. In the opinion of the Board, Mr. Parag keshar Bhattacharjee and Mr. Rajesh Kumar Agarwal fulfill the conditions specified in the Companies Act, 2013 and rules made thereunder for their appointment as an Independent Director(s) of the Company and are independent of the management.

Your company received declarations from all the Independent Directors of your company confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013.

Mr. Prashant Mehra (holding DIN-00086725) Managing Director of Company who was appointed for term of office upto 30th September, 2014. The Board of Directors in its meeting held on 29th August, 2014 re-appoint him on terms and conditions as specified in Explanatory statement in Item No. 6 whose office liable to retire by rotation for further term of 3 years (three years) from 1st October, 2014 to 30th September, 2017 subject to shareholders' approval in 22nd Annual General Meeting and Central Government Approval if any required.

Appropriate resolutions seeking your approval for the same has already been included in the Notice of the Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217 (2AA) of the Companies Act, 1956 your Directors confirm that:

- I. In preparation of the annual accounts, the applicable accounting standards have been followed.
- 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 your Company at the end of the financial year, and of the profit of your Company for that year.
- III. The Directors have taken proper and sufficient care to maintain adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities, and
- IV. The Directors have prepared the annual accounts on a 'going concern' basis.

AUDITORS & AUDITOR'S REPORT

M/s.Sumanta & Co., (Firm registration No. 322554E), Chartered Accountants, Statutory Auditors of the Company will retire at ensuing Annual General Meeting and, being eligible, have offered themselves for re-appointment. The Directors recommend their re-appointment from the conclusion of forthcoming Annual General Meeting till the conclusion of 25th Annual General Meeting. The notes on accounts referred to in the Auditors' Report are self explanatory and therefore do not call for any further explanation/comments.

RESTRUCTURING OF DEBTS

Your company had applied for restructuring of its existing debt via Non CDR approach to its Bankers in the previous year which was approved by the bankers. Your company is following the terms and Conditions as specified by Bankers for restructuring of existing debt of your company.

Directors' Report

OTHER INFORMATION

The Audit Committee of your company has reviewed the audited financial statements for the year under review at its meeting held on May 30, 2014 and recommended the same for the approval of the Board of Directors.

PARTICULARS OF EMPLOYEES

The particulars required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 are not applicable to your company.

CORPORATE GOVERNANCE

As per clause 49 of the equity Listing Agreement with Stock Exchange(s), a separate section on Corporate Governance practices followed by your company together with a Certificate from your company's Auditors confirming compliance forms part of this Report.

CODE OF CONDUCT

The Code of Conduct for the Directors and Senior Management Personnel has been made applicable to all the Directors whether executive or non-executive including all Senior Management Personnel of your company. The Board Members and Senior Management Personnel of your company have affirmed their compliance with the Code of Conduct during the year and no violation of the same was reported. The Code of Conduct is also posted on your company's website: www.kaushalya.net.

VIGIL MECHANISM / WHISTLE BLOWER POLICY OF YOUR COMPANY

Pursuant to the SEBI's Circular dated April 17, 2014, all listed companies shall establish a Vigil Mechanism/Whistle Blower Policy w.e.f. October 1, 2014. Hence, in Compliance with the provisions of Section 177 of the Companies Act, 2013 and revised Clause 49 of the Listing Agreement with the Stock Exchange(s), the Board of Directors of your company at its meeting held on August 13, 2014, has approved and adopted Vigil Mechanism/Whistle Blower Policy for employees to

report to the management instances of unethical behaviour, actual or suspected, fraud or violation of your company's code of conduct. The Whistle Blower policy encourages Directors and employees to bring to your company's attention, instances of unethical behaviour, actual or suspected incidents of fraud or violation of your company's Code of Conduct that could adversely impact your company's operations, business performance and / or reputation. Your company investigates such incidents, when reported, in an impartial manner and takes appropriate action to ensure that the requisite standards of professional and ethical conduct are always upheld. It is your company's policy to ensure that no employee is victimised or harassed for bringing such incidents to the attention of your company. The practice of the Whistle Blower policy is overseen by the Audit Committee of the Board.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

APPRECIATION

Your Board of Directors wish to place on record their sincere appreciation for the valuable and continued support received from the Shareholders, Company's Bankers, Central and State Government Authorities, Clients, Consultants, Suppliers, Stock Exchange(s) and all other Business Associates for the growth of the organization. The Board of Directors also wish to place on record its deep appreciation for the services of the devoted executives, staff members and workers whose hard work, solidarity, cooperation and support contributed to its efficient and successful management and in arriving at this years' results.

For and on behalf of the Board
Ramesh Kumar Mehra
Chairman

Place : Kolkata
Date : 29th August, 2014

Statement pursuant to Section 212(8) of the companies act, 1956 related to Subsidiary Companies - Annexure A

(Amount in ₹)

Name of the Subsidiary Companies	Issued and subscribed Capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover	Profit/Loss before taxation	Provision for taxation	Profit/loss after taxation	Proposed Dividend
Bengal KDC Housing Development Ltd	2,000,000	(991,228)	119,913,828	119,913,828	1,726,000	174,100	4,690	NIL	4,690	NIL
Bengal Kaushalya Nirman Ltd	2,000,000	(330,466)	1,752,590	1,752,590	NIL	12,100	(18)	NIL	(18)	NIL
Kaushalya Township Pvt. Ltd	4,318,570	20,199,713	356,275,261	356,275,261	37,000	238,809	21,755	NIL	21,755	NIL
Kaushalya Nirman Pvt. Ltd	670,000	3,251,076	62,832,859	62,832,859	NIL	112,200	60,286	NIL	60,286	NIL
Orion Abasaan Pvt. Ltd	400,000	1798,142	114,622,978	114,622,978	NIL	188,700	142,155	NIL	142,155	NIL
Kaushalya Energy Pvt. Ltd	100,000	(821,365)	220,008	220,008	99,000	13,900	(25)	NIL	(25)	NIL
Azur Solar KDC Pvt. Ltd	100,000	(38,540)	1,556,624	1,556,624	NIL	16,200	(86)	NIL	(86)	NIL

For and on behalf of Board of Directors

Date : August 29, 2014
Place : Kolkata

Tarkeshwar Singh
Company Secretary

Prashant Mehra
Managing Director

Mahesh Mehra
Whole-time Director

Annexure to the Directors' Report

Statement pursuant to section 212 of the companies act, 1956 relating to subsidiary companies.

Sl. No	Name of the Subsidiary	Kaushalya Nirman Pvt. Ltd. (KNPL)	Kaushalya Township Pvt. Ltd. (KTPL)	Orion Abasaan Pvt. Ltd. (OPAL)	Bengal KDC Housing Dev. Ltd. (BKHD)	Bengal Kaushalya Nirman Ltd. (BKNL)	Kaushalya Energy Pvt. Ltd. (KEPL)	Azur Solar KDC Pvt. Ltd. (Subsidiary of KEPL)
1	F. Y. of the Subsidiary ended on	March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2014	March, 31 2014	March, 31 2014
2	Date from which they become the Subsidiary	September 05, 2006	September 05, 2006	September 05, 2006	June 28, 2006	March 04, 2008	September 15, 2008	May 19, 2010
3	Share of the subsidiary held by the company as on March 31, 2014							
	a) Number & face Value	46000 equity shares of ₹10/- each	317357 equity shares of ₹10/- each	29000 equity shares of ₹10/- each	102000 equity shares of ₹10/- each	102000 equity shares of ₹10/- each	9500 equity shares of ₹10/- each	KEPL holds 9900 equity shares of ₹10/- each
	b) Extet of holding	68.66%	73.49%	72.50%	51%	51%	95.50%	99% (holding by KEPL)
4	The net aggregate amount of the subsidiary companies Profit/(loss) so far as it concerns the member of the holding company(KIDCO)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
	a) Not dealt with in the holding company's accounts							
	i) For the Financial year ended March 31, 2014	60,286/-	21,755/-	142,155/-	4,690/-	(18/-)	(25/-)	(86/-)
	ii) Upto the previous financial years of the subsidiary company	95,343.83/-	134/-	147,837/-	21,461/-	(48,233/-)	227/-	172/-
	b) Dealt with in the holding company's (KIDCO)accounts							
	i) For the Financial year ended March 31, 2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	ii) Upto the previous financial years of the subsidiary company.	Nil	Nil	Nil	Nil	Nil	Nil	Nil

For and on behalf of Board of Directors

Date : August 29, 2014
Place : Kolkata

Tarkeshwar Singh
Company Secretary

Prashant Mehra
Managing Director

Mahesh Mehra
Whole-time Director

Management Discussion and Analysis

INFRASTRUCTURE INDUSTRY REVIEW

The infrastructure sector, primarily the road sector, has undergone a transformation. In 2012-2013 only 1100 kms of National highways were awarded for construction compared to 1300 kms in the prior year and 6500 kms in 2011-2012. Rather than merely awarding projects, the focus of the government has shifted to addressing project related issues, primary among with are the land acquisitions and Environmental Clearances for the Projects.

The Cabinet Committee on Infrastructure has stipulated that only after 80% of land has been acquired and environmental clearance has been obtained would financial bids for the same be invited in order to avoid project execution delays. Downturn in the economy along with liquidity concerns had also reduced investor interest and thereby reduced competition in such projects. Several projects received only one or two bids causing them to get retendered several times over. Projects that were awarded could not reach financial closure due to an overly cautious banking sector.

In 2013 and continuing in 2014, the government has make a substantial push for reform in the sector. The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 has come into effect from January 1, 2014 doing away with the archaic Land Acquisition Act, of 1894 in an effort to protect land owner rights and ensure that fair compensation has been provided with respect to the lands that have been acquired or are planned to be acquired. The Real Estate (Regulation and Development) Bill, 2013 was introduced in the Rajya Sabha in August, 2013 to bring further transparency and consumer protection as well as to promote the real estate sector. Real Estate Investment Trusts (REITs) have been allowed to boost investments in the real estate sector.

OVERALL OUTLOOK

Infrastructure sector forms the backbone of India's growth. India is one of the world's largest importer as well as exporter of goods and services. India is the third largest economy with respect to Purchasing Power Parity and 10th largest in nominal GDP terms. In order for the country to grow, investment in the infrastructure sector is imperative and the government has hence put tremendous focus on reviving this sector. Reforms and proactive approaches to clear hurdles in projects coupled with the government's efforts to infuse liquidity in the sector has created a positive momentum which is expected to continue into the next few years and revive the overall sentiment of the industry as well as create further jobs boosting overall economy of the country.

CHALLENGES, RISK & CONCERNS

Your Company operates in an environment, which is effected by various factors some of which are beyond its control, primary among which are clearances and availability of unencumbered land to work on. The management periodically reviews the

control mechanisms in place, so that risks can be minimized to the optimum.

HUMAN RESOURCES

As an ongoing effort to develop and retain quality manpower, your company has adopted a very cautious approach to hiring quality engineers, foremen, administrative and other operational staff. Higher stress is placed on their ongoing development and they are encouraged to periodically upgrade themselves by attending appropriate seminars and training programmes to keep them up to date with industry changes and standards. Your company ensures that attrition rates are kept at a bare minimum and operates with higher degree of manpower efficiency. A progress human resources policy and management effort are key to company's ability to grow and sustain its business and forms a key core competency for the enterprise.

DISCUSSION ON FINANCIAL PERFORMANCE

Revenue

For the financial year ended 31st march, 2014, your Company has earned Income from operations stood at ₹1,580.98 Lacs as against ₹2,640.07 Lacs in the previous year.

Expenditure

Your company's total expenditure comprising of administrative cost, employee benefit cost, depreciation, material consumed including other expenses was ₹2,324.56 Lacs for year ended 31st March, 2014 as comparing to ₹2,154.07 Lacs in the previous year.

Interest

Interest expenses stood at ₹ 634.00 Lacs (previous year figure was ₹687.50 Lacs).

Profit before tax (PBT)

PBT is ₹(1401.58)Lacs for the current year from ₹(200.85) Lacs in the previous year.

Profit after tax

Your company's profit after tax is ₹(1398.89)Lacs for the year ended March 31, 2014 from ₹(203.19) Lacs as compared to the previous year.

EPS

The earnings per share for the current year stood at ₹(4.04) as compared to ₹(1.04) per equity share in the previous year.

Consolidated Financials

The current year results include the results of the companies including subsidiaries, step down subsidiaries and associates. The Consolidated Financial Statements have been drawn as per the Accounting Standards 21 and 23 issued by the Institute of Chartered Accountants of India. These companies operate broadly in a) Construction of roads, bridges and infrastructure development b) Housing Development c) Renewable Energy Power Projects and d) Other sectors.

Management Discussion and Analysis

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Your Company maintains adequate internal control systems, which provide, among other things, reasonable assurance of recording the transactions of its operations in all material respects. This system also protects against significant misuse or loss of Company assets. Your Company has a strong and independent internal audit function. The Internal Auditor reports directly to the Chairman of the Audit.

CHALLENGES, RISK AND CONCERNS

Your Company operates in an environment which is effected by various factors some of which are beyond its control. The management periodically reviews the control mechanisms in place, so that risks can be minimized to the optimum.

Your company has adequate internal controls for safeguarding its assets from unauthorized access, to ensure proper authorization of financial transactions and to prevent possibilities of frauds or other irregularities. Your company is working to further strengthen the systems for internal audit and risk assessment and mitigation. The annual audit plan is reviewed by the Independent Audit Committee and major findings and actions are taken/proposed to be taken are also reported to the Audit Committee.

OPPORTUNITY AND THREAT

India Ratings & Research has maintained a negative to stable outlook on the real estate sector for 2014-15 on the back of continued weak end-user demand and adverse consumer sentiments. The urban population is expected to surge in the coming years, which, coupled with growth in employment, education and health care, will push the demand for residential and commercial space. Things will start looking up for the sector only in the second half of 2014. While we continue to be optimistic about the markets we operate and growth therein but we remain cautious about the macro-economic changes and the regulatory headwinds being faced by the sector as a whole

FUTURE OUTLOOK

The infrastructure sector has been bogged down with various execution and legal challenges in the past year with several projects getting delayed due to clearance issues, pending disputes between contractors and clients and liquidity concerns causing banking sector to take a highly cautious look at infrastructure projects. However, recently a proactive approach has been seen from the Government's end with a focus to removing roadblocks in the infrastructure sector. For instance, the Government has given its approval to declare around 7,200 kms. of State Roads as new National Highways. Dispute resolution committees have been formed for across the table amicable conciliation for long pending disputes in an effort to restart stalled projects. Banks have also been asked to support the sector with effective and efficient financing. The construction industry growth is expected to improve over the next few years, as a result of the Government's commitment to improving the Country's infrastructure.

Your company continues to make strong efforts to build its pipeline with good quality projects and cautiously bids for the same. Your company's management is focused on long term sustainable business opportunities to provide a stable platform for growth in the infrastructure space and continue to add value to our shareholders.

CAUTIONARY STATEMENT

The Management Discussion and Analysis Report may contain certain statements that might be considered forward looking. These statements are subject to certain risks and uncertainties. Actual results may differ materially from these expressed in the statement as important factors could influence your company's operations such as Government policies, local, political and economic development, risk inherent to your company and such other factors.

Report on Corporate Governance

Corporate Governance

Sound Corporate Governance practices are guided by culture, conscience and mindset of an organization and are based on principles of openness, fairness, professionalism, transparency and accountability with an aim to build confidence of its various stakeholders and paving way for its long-term success. Achievement of excellence in good Corporate Governance practices requires continuous efforts and focus on its resources, strengths and strategies towards ensuring fairness and transparency in all its dealings with its stakeholders including society at large.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

In your Company corporate governance has always been a focal point of attention with emphasis on the complete well-being of all constituents. Good corporate governance encompasses law, procedures, practices and implicit rules that determine the management's ability to take sound and informed business decisions vis-à-vis all its stakeholders i.e. shareholders, creditors, employees and the state. The Company's philosophy on corporate governance envisages attainment of the highest level of transparency, accountability, integrity and equity in all facets of its operations and in its interaction with stakeholders.

The Board of Directors of your Company is responsible for and committed to sound principles of Corporate Governance in the Company. The Board plays a pivotal role in overseeing how the management serves the short and long term interests of shareholders and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board. We keep our governance practices under continuous review and benchmark ourselves to the best practices across the globe.

BOARD OF DIRECTORS

Board Membership Criteria

The members of the Board of Directors of your Company are expected to possess the required expertise, skill and experience to effectively manage and direct your Company to attain its organizational goals. They are expected to be persons with vision, leadership qualities, proven competence and integrity, and with a strategic bent of mind.

Each member of the Board of Directors of your Company is expected to ensure that his/her personal interest does not run in conflict with your Company's interests. Moreover, each member is expected to use his/her professional judgment to maintain both the substance and appearance of independence and objectivity

Size and composition of the Board

Your Company has an optimum composition of Board of Directors in conformity with Clause 49 of the Listing Agreement with the Stock Exchanges as on 31st March, 2014. The Board as on 31st March, 2014 has 6(six) Directors, and except Managing Director and Whole-time Director, all other 4(four) Directors were Non-executive Directors. Out of 4(four) Non-executive Directors, 3(three) were Independent Directors. The Chairman of the Board of Directors of your Company is Non-executive Non Independent Director.

Mr. Sakti Pada Banerjee a Non-Executive Independent Director on the Board with effect from January, 2009, In June 2014 he gave his resignation letter due to personal reason to resigned from the above post and Board of Director in its Meeting held on 25th June, 2014 accept his resignation with effect from 25.06.2014 from the post of Independent Director. After the resignation of Mr. Banerjee on 25.06.2014, the composition of Board of your Company is fall in conformity with Clause 49 of the Listing Agreement with the Stock Exchanges but it will be fulfilled within the prescribed time given in the Clause 49 of the Listing Agreement with the Stock Exchanges.

The composition of the Board of Directors of your Company as on March 31, 2014 is as follows :

Name of Director	Position	Director Identification Number	No. of Directorships held in other Companies#	No. of Committee positions held in other Public Companies as ##	
				Chairman	Member
*Mr. Ramesh Kumar Mehra	Non-Executive Chairman/Non-Independent Director	00086598	2	—	—
*Mr. Prashant Mehra	Managing Director	00086725	2	—	—
*Mr. Mahesh Mehra	Whole-time Director	00086683	0	—	—
Mr. Rajesh Kumar Agarwal	Independent and Non-Executive Director	00431195	0	—	—

Report on Corporate Governance

Mr. Parag Keshar Bhattacharjee	Independent and Non-Executive Director	00081899	6	–	5
@Mr. Sakti Pada Banerjee	Independent and Non-Executive Director	01629690	–	–	–

Notes :

Other Directorship 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 Shareholders' Grievance Committee/Stakeholders Relationship Committee.

@ Mr. Sakti Pada Banerjee has resigned from the Directorship of Company w.e.f. 25th June, 2014.

* In terms of clause 49(IV)(G)(ia), it is hereby disclosed that Mr. Ramesh Kumar Mehra is the father of Mr. Prashant Mehra and brother Mr. Mahesh Mehra. Other than this, none of the other Directors are in any way related to any other Director as per Section 6 of the Companies Act, 1956 or 2(77) of Companies Act, 2013 read with rule 2014.

Board Meetings/Annual General Meeting

During the year 2013-14, the Board of Directors of your Company met 5(five) times on May 15, 2013, May 29, 2013, August 14, 2013, November 14, 2013 and February 14, 2014

The previous Annual General Meeting was held on September 27, 2013.

Details regarding the attendance of Directors at the Board Meetings and the Annual General Meeting held during 2013-14 are presented in the following table.

Name of Director	No. Board Meetings	No. of Meetings attended	Presence at last AGM
Mr. Ramesh Kumar Mehra	5	4	Yes
Mr. Prashant Mehra	5	5	Yes
Mr. Mahesh Mehra	5	5	Yes
Mr. Rajesh Kumar Agarwal	5	5	Yes
Mr. Parag Keshar Bhattacharjee	5	4	Yes
Mr. Sakti Pada Banerjee@	5	–	No

@ resigned from directorship w.e.f. from 25th June, 2014

Code of Conduct

Your Company's Board of Directors has prescribed a Code of Conduct for all Board Members and the Company's Senior Management. The Code of Conduct is available on your Company's website www.kaushalya.net

All the Board Members and the Senior Management personnel of your Company have affirmed their compliance with the Code of Conduct for the year ended March 31, 2014. A declaration to this effect as signed by the Managing Director is given below:

This is to certify that, in line with the requirement of Clause 49 of the Listing Agreement, all the Directors of the Board and Senior Management Personnel have solemnly affirmed that to the best of their knowledge and belief, they have complied with the provisions of the Code of Conduct during the financial year 2013-14.

Prashant Mehra
Managing Director

BOARD COMMITTEES

In compliance with both the mandatory and non- mandatory requirements under Clause 49 of the Listing Agreement and the applicable laws, your Company's Board of Directors constituted the following Committees:

- Audit Committee
- Remuneration Committee@

Report on Corporate Governance

iii) Shareholders'/Investors' Grievance Committee#

iv) Executive 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 approval.

@ Board Meeting held on 13th August, 2014 approved existing Remuneration Committee to be considered as Nomination & Remuneration Committee.

Board Meeting held on 13th August, 2014 approved existing Shareholders/Investor Grievance Committee to be considered as Stakeholders Relationship Committee.

Audit Committee

The Audit Committee of the Board of Directors of your Company consists of the following Members:

Sl.No	Name	Category	Designation
1	Mr. Rajesh Kumar Agarwal	Non-Executive Independent	Chairman
2	Mr. Parag Keshar Bhattacharjee	Non-Executive Independent	Member
3	Mr. Prashant Mehra	Executive	Member

The Chairman of the Audit Committee is an Independent Director and the Company Secretary acts as the Secretary to the Committee. The Chairman of the Audit Committee attended the previous Annual General Meeting held on 27 September, 2013.

The Committee's composition and its terms of reference meet the requirements of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The Audit Committee is empowered, pursuant to its terms of reference, inter-alia, to :

- investigate any activity within its terms of reference.
- seek information from any employee.
- obtain outside legal or other professional advice.
- secure attendance of outsiders with relevant expertise, if it considers necessary.
- have full access to information contained in the records of the Company.

The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process and inter alia performs the following functions:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment, remuneration, terms of appointment and, if any the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013 (clause (2AA) of section 217 of the Companies Act, 1956).
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgement by management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions.
 - Qualifications in the draft audit report.
5. Examination of financial statements and the Auditors' report thereon.
6. Approval or any subsequent modification of transactions with related parties.

Report on Corporate Governance

7. Scrutiny of inter-corporate loans and investments.
8. Valuation of undertaking or assets of the Company, wherever necessary.
9. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
10. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
11. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.
12. Reviewing, with the management, performance of internal auditors and adequacy of the internal control systems.
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official, heading the department, reporting structure coverage and frequency of internal audit.
14. Discussion with internal auditors any significant findings and follow up thereon.
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
16. Evaluation of internal financial controls and risk management systems.
17. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
18. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
19. To review the functioning of the Whistle Blower Mechanism.
20. Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Company's Audit Committee met 4 (four) times during 2013-14 on May 29, 2013, August 14, 2013, November 14, 2013 and February 14, 2014.

The following table presents the details of attendance at the Audit Committee meetings held during 2013-14 :

Name of the Member	Designation	No. of Meetings	
		Held	Attended
Mr. Rajesh Kumar Agarwal	Chairman	4	4
Mr. Prashant Mehra	Member	4	4
Mr. Parag Keshar Bhattacharjee	Member	4	4

Remuneration Committees/Nomination and Remuneration Committee

The Committee consists of 3 Directors, all being independent. The Committee comprises of :

Sl.No	Name of Director	Designation	Category
1	Mr. Parag Keshar Bhattacharjee	Chairman	Independent/Non-Executive
2	Mr. Rajesh Kumar Agarwal	Member	Independent/Non-Executive
3	Mr. Sakti Pada Banerjee@	Member	Independent/Non-Executive
4	Mr. Ramesh Kumar Mehra	Member	Non-Executive

@ w.e.f. 25th June, 2014 Mr. Sakti Pada Banerjee resigned from membership.

The Committee was re-named by the Board of Directors in their meeting held on 13th August, 2014 to align with the requirements of Section 178 of the Companies Act, 2013.

The Committee's constitution and terms of reference are in compliance with the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The Company Secretary acts as a Secretary to the Nomination & Remuneration Committee.

Report on Corporate Governance

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

- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/ or removal;
- To formulate criteria for and carry out evaluation of Independent Directors and the Board;
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees;
- To devise a policy on Board diversity;
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

During the period under review no meeting was held in 2013-14.

Remuneration Policy : The success of the organization in achieving good performance and good governing practices depends on its ability to attract and retain individuals with requisite knowledge and excellence as executive and non-executive Directors.

With this objective, the Board decides on the remuneration to be paid to the Directors. While deciding on the remuneration, the Board of Directors considers the performance of the Company, the current trends in the industry, the qualifications of the appointee, his experience, past performance and other relevant factors.

Criteria for payment to Non-Executive Directors : As per the present policy, the Company does not pay any remuneration to any Independent Director except sitting fees for attending the meetings of the Board / Committees.

During the year, there were no pecuniary relationships or transactions between the Company and any of its Non-Executive Directors except payment of sitting fees. The Company has not granted any stock option to any of its Non-executive Directors.

Details of Remuneration to all Directors : The Company pays remuneration by way of salary to its Managing and Whole-time Director. The remuneration paid is within the limit specified under the Companies Act, 1956/or 2013 and approved by the Board as well as by the shareholders of the Company. The Company does not have any policy for payment of remuneration to Non-Executive Directors except by way of sitting fees @ ₹5,000/- for attending each meeting of the Board and for attending each Committee meeting @ ₹3,500/-. No severance fees is payable to the Directors on termination of the employment. The Company has not yet introduced any stock option to its Directors/ Employees.

1. The details of sitting fees for the Financial Year 2013-14 paid to the Non-Executive Directors & their shareholding in the Company are as under :

Sl. No	Name of Directors	Category	Sitting Fees (₹)		No. of shares held as on 31st March, 2014
			Board Meeting	Committee Meeting	
1	Mr. Rajesh Kumar Agarwal	Non-Executive Independent	25,000/-	14,000/-	NIL
2	Mr. Parag Keshar Bhattacharjee	Non-Executive Independent	20,000/-	14,000/-	NIL
3	Mr. Sakti Pada Banerjee@	Non-Executive Independent	—	—	NIL
4	Mr. Ramesh Kumar Mehra	Non-Executive Non-Independent	20,000/-	—	30,010

@ resigned from the directorship w.e.f. 25th June, 2014.

Remuneration/Sitting Fees paid to Executive Directors of the Company during the Financial Year ended March 31, 2014 are detailed as under :

Executive Directors :

Name of Director	Salary & Perquisites (₹)	Period of Contract		Notice Period	No. of Shares held as on 31.03.2014
		From	To		
Mr. Prashant Mehra @	13,80,000/-	18.04.2010	30.09.2014	2 Months	917760
Mr. Mahesh Mehra	11,40,000/-	04.09.2012	03.09.2017	2 Months	48110

@ Mr. Prashant Mehra re-appointed as Managing Director for further term of 3(three) years w.e.f. 01.10.2014 to 30.09.2017 on

Report on Corporate Governance

meeting of Board of Directors held on 29th August, 2014 with Nomination and Remuneration Committee recommendation subject to shareholders' approval in ensuring Annual General Meeting on such terms and condition mentioned in Explanatory statement of Notice part.

Shareholders' Grievance Committee/Stakeholders Relationship Committee

The Shareholders' / Investors' Grievance Committee consists of the following Members :

Sl.No	Name of Director	Category	Designation
1.	Mr. Parag Keshar Bhattacharjee	Non-Executive Independent	Chairman
2	Mr. Ramesh Kumar Mehra	Non-Executive Non-Independent	Member
3	Mr. Mahesh Mehra	Executive	Member

No meeting of Shareholders'/Investors' Grievance Committee held during 2013-14.

The terms of reference of the Shareholders'/Investors' Grievance 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 remat/demat of shares to the Company Secretary. The Committee reviews the transfer/demat/remat approved by the Company Secretary and take note thereof in their subsequent meeting.

As per clause 47(f) of the Listing Agreement 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 2013-2014, excluding correspondences which are not in the nature of complaints are given below :

Number of complaints received from the shareholders	4
Number of complaints redressed	4
Number of complaints not solved/pending	Nil

The Committee was re-named by the Board of Directors in their meeting held on 13th August, 2014 to align with the requirements of Section 178 of the Companies Act, 2013.

The Committee's constitution and terms of reference are in compliance with the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The Company Secretary acts as a Secretary to the Stakeholders Relationship Committee.

SEBI Complaints Redress System (SCORES) : The investor complaints are processed in a centralised web based complaints redress system. The salient features of this system are Centralised 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.

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.

Executive Committee

The Executive Committee as at March 31, 2014 comprised are given hereunder :

Name of Director	Designation	Category
Mr. Prashant Mehra	Member	Executive Director
Mr. Mahesh Mehra	Member	Executive Director

The Company Secretary acts as the Secretary to this committee. The Committee was constituted to decide matters pertaining to day to day business operations including opening of current accounts with various banks and changing the signatories when required, borrow funds and make investments up to a specified limit, to give necessary authorizations for various business requirements and to do all incidental acts, deeds and things. The Executive Committee meets as and when necessary to attend to important businesses. The minutes of the Executive Committee meetings are reviewed and noted by the Board.

Shareholders Information

GENERAL BODY MEETING

The Details of your Company's last three Annual General Meetings are presented in the following table

Financial Year	Date	Time	Venue	Special Resolution Passed, if any
2012-2013	27th September, 2013	11.30 A.M.	"Rabindra Okakura Bhavan", DD 27/A/1, Salt Lake, Kolkata -700 064	NO
2011-2012	21st December, 2012	11.30 A.M.	"Rabindra Okakura Bhavan", DD 27/A/1, Salt Lake, Kolkata -700 064	NO
2010-2011	30th September, 2011	10.30 A.M.	"Rabindra Okakura Bhavan", DD 27/A/1, Salt Lake, Kolkata -700 064	YES

Extraordinary General Meeting : During the Financial Year 2013-2014 no Extraordinary General Meeting of the members of the company was held.

Postal Ballot : No Special /Ordinary Resolution requiring a postal ballot was proposed last year. No Special /Ordinary Resolution requiring a postal ballot is being proposed in the forthcoming Annual General Meeting of the Company.

DISCLOSURES

Related Party Transactions

There have been no materially significant related party transactions, pecuniary transactions or relationships between your Company and the Directors, management, subsidiary or relatives, except for those disclosed in the financial statements for the year ended March 31, 2014.

Details of Non-Compliance

There has been no non-compliance of any legal requirements nor have there been any strictures imposed by any Stock Exchange or SEBI or any statutory authority on any matter related to Capital Markets during the last three years.

Corporate Governance Report

Your Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement and has also complied with the non-mandatory

Whistle Blower Policy

This is a non-mandatory requirement under the code of the Corporate Governance for 2013-14. Your Company in its meeting of Board of Directors held 13th August, 2014 approved and adopted the Whistle Blower.

Subsidiary Information

The Company does not have any material non-listed Indian subsidiary company and hence, it is not required to have an independent director of the Company on the Board of such subsidiary company. 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, 2014 the Company had following Subsidiaries:

- Bengal KDC Housing Development Limited
- Kaushalya Township Private Limited
- Kaushalya Nirman Private Limited
- Orion Abasaan Private Limited
- Bengal Kaushalya Nirman Limited
- Kaushalya Energy Private Limited
- Azur Solar KDC Private Limited (Kaushalya Solar Power 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 Companies) 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.

Shareholders Information

Management Discussion and Analysis Report

The Management Discussion and Analysis Report forms a part of the Annual Report and includes various matters specified under Clause 49 of the Listing Agreement.

CEO/CFO certificate

The CEO/CFO has been placed before the board at their meeting held on August 29, 2014, in compliance with Clause V of the Listing Agreement with the stock exchanges duly signed by the Managing Director/CEO and the Chief Financial Officer.

Certificate on Corporate Governance

The statutory auditor certificate, with respect to compliance with Clause 49 of the Listing Agreement 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.

Risk Management

The Company has laid down procedures to inform Board Members about the Risk Assessment and minimization procedure, which are periodically reviewed by the Board.

Compliance of Listing Agreement

The company has fully complied with all the mandatory requirements of the Listing Agreement with the stock exchanges. Besides mandatory requirements, the Company has complied with the non-mandatory requirements with the constitution of a Remuneration Committee as prescribed in Clause 49 of the Listing Agreement with the Stock Exchanges.

Details of Directors seeking Appointment/Re-appointment

Details of Directors seeking Appointment/Re-appointment at the ensuing Annual General Meeting as required under Clause 49 of the Listing Agreement is annexed to the Notice convening the Annual General Meeting.

Reconciliation of Share Capital Audit

As stipulated by SEBI, a Reconciliation of Share Capital Audit is carried out by an independent Practicing Company Secretary on quarterly basis to confirm reconciliation of the issued and listed capital, shares held in dematerialised and physical mode and the status of the register of members.

Accounting treatment in preparation of financial statement

The financial statements have been prepared under historical cost convention in accordance with generally accepted accounting principles and provisions of the Companies Act, 1956 (which continues to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs) and the Accounting Standards notified in Companies (Accounting Standard) Rules, 2006 to the extent applicable.

MEANS OF COMMUNICATION

- The Company's corporate website www.kaushalya.net, consists of Investor Relationship section, which provides comprehensive information to the Shareholders.
- The quarterly and annual financial results of the Company are generally published in National Newspapers i.e. The Financial Express in English and Bengal Lipi a regional newspaper in vernacular language.
- The Company's Annual Report is e-mailed/ dispatched to all the Shareholders of the Company and also made available on the Company's website www.kaushalya.net.
- The Company's Shareholding Pattern is filed on a quarterly basis with the Stock Exchanges and also displayed on the Company's website www.kaushalya.net.

NSE ELECTRONIC APPLICATION PROCESSING SYSTEM (NEAPS)

To provide diverse range of services to corporates listed on NSE, with effect from January 23, 2013, NSE has launched NSE Electronic Application Processing System (NEAPS) which is a web based application for filing corporate announcements under the portal <https://www.connect2nse.com/LISTING>. Your company is registered with NEAPS and all the filings are being done through this module developed by NSE.

BSE CORPORATE COMPLIANCE & LISTING CENTRE

BSE has announced the launch of its online portal-BSE Corporate Compliance & Listing centre for submission of various filings by listed companies with BSE, with effect from February 8, 2013. The portal <http://listing.bseindia.com> is designed to make corporate

Shareholders Information

filings easy, convenient and environment friendly for listed companies. Your company is registered with the portal and all the necessary filings are being done through this module developed by BSE.

DATE, TIME AND VENUE OF THE 22ND AGM

30th day of September, 2014 at 11.00 a.m. Aikatan, Eastern Zonal Cultural Centre, IA 290, Sector-III Salt Lake, Kolkata-700097

BOOK CLOSURE DATE

The Register of Members and Share Transfer Books of the Company will be closed from September 29, 2014 to September 30, 2014 (both days inclusive) for the purpose of 22nd Annual General Meeting.

FINANCIAL CALENDAR

Financial year of the Company is 1st April to 31st March. The tentative calendar for consideration of financial results for the financial year 2014-15 is given below :

Particulars	Tentative Schedule*
Results for quarter ending June 30, 2014	Disclosed on 13th August, 2014
Results for quarter/half year ending September 30, 2014	Within 45 days from the end of the quarter.
Results for quarter ending December 31, 2014	
Results for quarter/year ending March 31, 2014 (Audited)	Within 60 days from the end of financial year
Annual General Meeting for the year, 2014-2015	In accordance with Section 96 of Companies Act, 2013.

*tentative and subject to change

LISTING ON STOCK EXCHANGES

The Company's Shares are listed on the following Stock Exchanges with effect from December 14, 2007.

Name	Address	Scrip Code
The National Stock Exchange of India Limited (NSE)	Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai - 400051	KAUSHALYA
BSE Limited (BSE)	P. J. Towers, Dalal Street, Mumbai - 400 001	532925

The Company has paid the listing fees payable to the Bombay Stock Exchange and the National Stock Exchange of India for the financial year 2014-15. The Company has also paid Annual Custodial Fees for the year 2014-15 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

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, West Bengal, Kolkata.

ISIN NO. FOR THE COMPANY

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

DEMAT SUSPENSE ACCOUNT & UNCLAIMED SHARES

During the year none shareholders claimed for their shares which remain unclaimed at the time of Initial Public Offer and was credited to the demat suspense account. The balance of unclaimed shares as on March 31, 2014 was 2220.

SHARE TRANSFER SYSTEM

The share transfer requests are processed on behalf of the Company by Registrar Transfer Agent, M/s. C B Management Services Pvt. Ltd. and are placed before the Company Secretary who has been delegated by Investor Grievance cum Share Transfer Committee to approve transfers. The Company Secretary addresses all the requests fort nightly.

REGISTRAR AND SHARE TRANSFER AGENT

C B Management Services Private Limited
P-22, Bondel Road, Kolkata - 700 019
Phone : (033) 22806692/93/94/2486; Fax: (033) 22870263
Email : rta@cbmsl.com, Website : www.cbmsl.com

Shareholders Information

DEMATERIALISATION OF SHARES AND LIQUIDITY AS ON MARCH 31, 2014

As on 31st March, 2014, 99.999% of the total shares of the Company have been dematerialized as under:

Particulars of Shares (Equity Shares of ₹10/- each)	Dematerialised Form	
	Number	% of Total
NSDL	30566989	88.266
CDSL	4063227	11.733
Sub-Total	34630216	99.999
Physical Form	414	0.001
Total	34630630	100.000

DISTRIBUTION OF SHAREHOLDING

The distribution of shareholding of the Company as on March 31, 2014 is noted below :

Slab of Shareholding	No of Shareholders	%	No of Shares	%
Upto 500	18416	86.56	2841523	8.20
501 TO 1000	1535	7.21	1270211	3.67
1001 TO 2000	714	3.36	1098616	3.17
2001 TO 3000	222	1.04	566811	1.64
3001 TO 4000	101	0.48	359854	1.04
4001 TO 5000	92	0.43	435024	1.26
5001 TO 10000	107	0.50	788308	2.28
10001 TO 50000	62	0.29	1207678	3.49
50001 TO 100000	8	0.04	614777	1.77
100001 and Above	19	0.09	25447828	73.48
Total	21276	100.00	34630630	100.00

Shareholding pattern by ownership as on March 31, 2014 :

Category	No of Shares Held	% of shareholding
Promoters & Promoter Group	17805630	51.42
Institutional Investors	Nil	Nil
Bodies Corporate	7944742	22.94
Indian Public	8619362	24.89
NRIs /OCB/Others	142736	0.41
Clearing Members	118160	0.34
Total	34630630	100.00

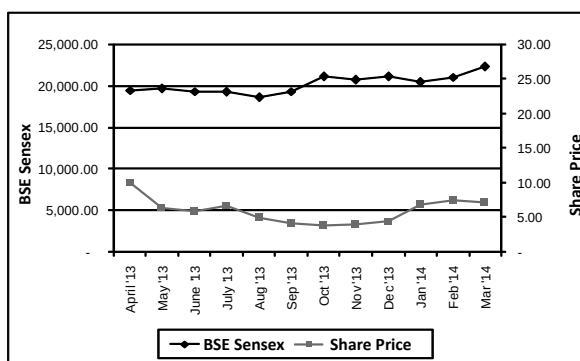
Shareholders Information

MARKET PRICE DATA

Monthly high, low quotations and trading volumes of the Company's equity shares during the financial year 2013-14 at BSE and NSE are noted below :

Months	BSE Ltd.			National Stock Exchange of India Ltd.		
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume
April, 2013	10.10	5.22	340,153	9.40	7.15	34,582
May, 2013	6.42	4.64	71,045	No Trade	No Trade	No Trade
June, 2013	5.85	4.33	29,729	No Trade	No Trade	No Trade
July, 2013	6.77	4.65	79,443	No Trade	No Trade	No Trade
August, 2013	4.96	3.62	8,493	No Trade	No Trade	No Trade
September, 2013	4.10	3.24	47,717	No Trade	No Trade	No Trade
October, 2013	3.81	3.23	44,538	No Trade	No Trade	No Trade
November, 2013	3.97	3.35	16,333	No Trade	No Trade	No Trade
December, 2013	4.53	3.54	20,257	No Trade	No Trade	No Trade
January, 2014	6.87	4.03	189,672	6.90	5.10	10,713
February, 2014	7.43	6.03	129,830	7.40	6.05	20,400
March, 2014	7.19	4.64	100,092	6.55	4.70	17,002

Performance of the Company in comparison with broad based indices :



OUTSTANDING CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY :

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

PLANT LOCATIONS

Not Applicable

ADDRESS FOR CORRESPONDENCE

Registered Office:

Kaushalya Infrastructure Development Corporation Ltd.
CIN-L51216WB1992PLC055629
HB- 170, Sector – III, Salt Lake, Kolkata – 700 106
Phone : (033) 2334 4148, Fax: (033) 2334 4148
E-mail: info@kaushalya.net
Website: www.kaushalya.net

Shareholders Information

Company Secretary:

Mr. Tarkeshwar Singh
Kaushalya Infrastructure Development Corporation Ltd.
CIN-L51216WB1992PLC055629
HB- 170, Sector – III, Salt Lake, Kolkata – 700 106
Phone : (033) 2334 4148, Fax: (033) 2334 4148
E-mail: info@kaushalya.net
Website: www.kaushalya.net

For and on behalf of the Board

Place: Kolkata
Date: August 29, 2014

Ramesh Kumar Mehra
Chairman

AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

The Members of
Kaushalya infrastructure Development Corporation Limited

We have examined the compliance of conditions of Corporate Governance by Kaushalya Infrastructure Development corporation Limited (the company) for the year ended 31st March 2014, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange.

The compliance of conditions of the Corporate Governance is the responsibility of the company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in clause 49 of the listing agreement) issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial. Statement of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the abovementioned listing Agreement.

We state that such compliance is neither an assurance to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For **SUMANTA & CO.**
Chartered Accountants
Firm Registration No. 322554E

Place: Kolkata.
Date: The 29th day of August 2014

Pradeep Kumar Agarwal
Partner
Membership No. 056521

Report on Corporate Governance

CEO AND CFO CERTIFICATION

The Board of Directors

Kaushalya Infrastructure Development Corporation Limited

We, Prashant Mehra, Chief Executive Officer and Managing Director, and Mr. Tarak Nath Mishra, Chief Financial Officer of Kaushalya Infrastructure Dev. Corp. Ltd., to the best of our knowledge and belief, certify that:

1. We have reviewed the Balance Sheet and Profit and Loss account (standalone and consolidated), and all the schedules and notes on accounts, as well as the Cash Flow statements, and the Directors' Report.
2. Based on our knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the statements made.
3. Based on our knowledge and information, the financial statements, and other financial information included in this report, present in all material respects, a true and fair view of the Company's affairs, the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report, and are in compliance with the existing accounting standards and / or applicable laws and regulations.
4. To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's code of conduct.
5. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design and operations of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
6. We have indicated to the auditors and the audit committee:
 - (i) Significant changes in the internal control over financial reporting during the year;
 - (ii) Significant changes in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which we 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.
7. We further declare that all Board members and senior managerial personnel have affirmed compliance with the code of conduct for the current year.

August 29, 2014
Kolkata

Prashant Mehra
*Chief Executive Officer and
Managing Director*

Tarak Nath Mishra
Chief Financial Officer

Independent Auditors' Report

To the members of
Kaushalya Infrastructure Development Corporation Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Kaushalya Infrastructure Development Corporation Limited (the company), which comprise the balance sheet as at 31 March 2014, and the statement of profit and loss and cash flow statement for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Place : Kolkata

Date : The 30th day of May, 2014

Opinion

In our opinion and to the best of our information and according to explanations given to us, the said accounts subject to the notes forming the part of the Financial Statements, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India: -

- i. in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2014;
- ii. in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "order") issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956 and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. As required by Section 227(3) of the Act, we report that
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books and proper records adequate for the purposes of our audit have been received from the branches not visited by us;
 - (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account and returns;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
 - (e) On the basis of written representations received from the directors as on 31st March, 2014 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2014 from being appointed as director in terms of clause (f) of sub-section (1) of section of the Companies Act, 1956.

For Sumanta & Co.
Firm Registration No. 322554E
Chartered Accountants
Pradeep Kumar Agarwal
Partner
ICAI Membership No. 056521

Annexure to the Auditors' Report

ANNEXURE REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT TO THE MEMBERS OF KAUSHALYA INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED OF EVEN DATE

- (i) (a) The company is maintaining proper records in soft copy format showing full particulars including quantitative details and situations of fixed assets.
- (b) The fixed assets are physically verified by the management according to a phased programme designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
- (c) In our opinion and according to the information and explanations given to us, the company has not been disposed off any substantial part of fixed assets during the year.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of such verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) On the basis of our examination of inventory records, in our opinion, the company is maintaining proper records of inventory and no material discrepancies were noticed on verification between the physical stocks with the book records.
- (iii) As informed to us, the company has not granted/taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 and accordingly the provisions of Clause 4 (iii) (a) to 4 (iii) (g) of the order are not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business for the purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- (v) (a) In our opinion and according to the information and explanations given to us and based on our verification, we are of the opinion that the particulars of contracts and arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, and based on our verification, we report that the transactions made in pursuance of such contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rupees five lakh in respect of any party during the year has been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Companies Act, 1956 and the rules framed there under.
- (vii) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- (viii) The Central Government has not prescribed cost records u/s 209(1)(d) of the Companies Act, 1956 for any of the activities of the company and accordingly the provisions of Clause 4 (viii) of the order is not applicable to the company.
- (ix) (a) Accordingly to the information and explanations given to us and the records of the company examined by us, in our opinion, the company, on various instances has delayed the deposit of the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Custom Duty, Excise Duty, cess and other statutory dues applicable to it.
- (b) According to information and explanations given to us, undisputed amounts payable in respect of Service Tax ₹ 81,49,501/-, Tax Deducted at Sources ₹ 3,22,567/- and PF & ESI ₹ 45,513/- were in arrears as at 31st March, 2014 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, the following dues of Sales tax, Income tax, Wealth tax, Service tax, Customs duty, Excise duty and Cess (as applicable) have not been deposited by the Company on account of disputes.

Annexure to the Auditors' Report

Name of the Statute	Nature of Dues	Amount (in ₹ Lacs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act	Income Tax	37.72	Assessment Year 2004-2005	Income Tax Appellate Tribunal
Income Tax Act	Income Tax	0.72	Assessment Year 2005-2006	Commissioner of Income Tax (Appeals)
Income Tax Act	Income Tax	9.24	Assessment Year 2006-2007	Commissioner of Income Tax (Appeals)
Income Tax Act	Income Tax	40.99	Assessment Year 2007-2008	Income Tax Appellate Tribunal
Income Tax Act	Income Tax	37.61	Assessment Year 2010-2011	Income Tax Appellate Tribunal
Income Tax Act	Income Tax	41.66	Assessment Year 2011-2012	Commissioner of Income Tax (Appeals)
Income Tax Act	Income Tax	2.59	Assessment Year 2012-2013	Commissioner of Income Tax (Appeals)

- (x) The company has no accumulated losses as at 31st March, 2014 and it has incurred cash loss of ₹ 13,65,80,111/- (Prev. Year ₹1,61,43,555/-) in the current year and company is incurring cash loss for the last two financial year till 31st March, 2014.
- (xi) According to the records of the company examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution or bank. The company has no dues to any debenture holders.
- (xii) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the company is not a dealer or trade in shares, securities, debentures and other investments.
- (xv) In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) The company has not taken any term loans and accordingly the provisions of clause 4(xvi) of the order are not applicable to the company.
- (xvii) On the basis of an overall examination of the Balance Sheet of the company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
- (xviii) During the year, the company has allotted 15025000 equity shares of F.V. ₹10/- each at a premium of ₹1/- after conversion of same numbers of warrants to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
- (xix) During the year, the company has not issued any debentures and accordingly the provisions of Clause 4(xix) of the order are not applicable to the company.
- (xx) The company has not raised any money by public issues during the year.
- (xxi) During the course of our examination of the books and records of the company, carried out in accordance with the Generally Accepted Auditing Practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

Place : Kolkata
Date : The 30th day of May, 2014

For **Sumanta & Co.**
Firm Registration No. 322554E
Chartered Accountants
Pradeep Kumar Agarwal
Partner
ICAI Membership No. 056521

Balance Sheet as at 31st March, 2014

		(Amount in ₹)	
PARTICULARS	Note	As at 31st March, 2014	As at 31st March, 2013
EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	34,63,06,300	19,60,56,300
(b) Reserve & Surplus	4	57,72,24,033	70,20,88,267
(c) Money Received against Share Warrants		-	12,34,95,000
		92,35,30,333	1,02,16,39,567
(2) Non-Current Liabilities			
(a) Deferred Tax Liabilities (Net)	29	74,18,543	76,86,890
(b) Other Long Term Liabilities	5	95,19,980	96,62,596
(c) Long Term Provisions	6	8,41,411	8,36,411
		1,77,79,934	1,81,85,897
(3) Current Liabilities			
(a) Short Term Borrowings	7	55,35,84,075	49,47,56,828
(b) Trade Payables	8	19,47,10,159	38,59,90,558
(c) Other Current Liabilities	9	8,85,15,002	6,17,90,589
(d) Short Term Provisions	10	6,40,49,355	6,40,49,355
		90,08,58,591	1,00,65,87,330
TOTAL		1,84,21,68,859	2,04,64,12,795
ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	11	4,86,08,302	5,21,85,772
(b) Non-Current Investments	12	17,20,09,115	17,19,83,115
(c) Long-Term Loans and Advances	13	65,84,90,440	65,33,88,939
		87,91,07,857	87,75,57,826
(2) Current Assets			
(a) Inventories	14	1,07,45,745	1,38,19,431
(b) Trade Receivables	15	76,36,80,548	95,02,45,551
(c) Cash & Cash Equivalents	16	2,16,08,067	2,00,64,731
(d) Short Term Loans and Advances	17	16,65,02,275	18,19,73,000
(e) Other Current Assets	18	5,24,366	27,52,256
		96,30,61,002	1,16,88,54,968
TOTAL		1,84,21,68,859	2,04,64,12,795
See accompanying notes forming part of the financial statements	1-33		

In terms of our report attached.

For **Sumanta & Co.**

Firm Regn. No. 322554E

Chartered Accountants

Pradeep Kumar Agarwal

Partner

Membership No. 056521

Place : Kolkata

Date : 30th May, 2014

Tarkeshwar Singh
Company Secretary

For and on behalf of the Board of Directors

Prashant Mehra
Managing Director

Mahesh Mehra
Whole-time Director

Statement of Profit and Loss for the year ended 31 March, 2014

		(Amount in ₹)	
PARTICULARS	Note No.	For the year ended 31st March, 2014	For the year ended 31st March, 2013
1 Revenue from operations (gross)	19	15,80,98,342	26,40,07,296
Less: Service Tax		59,30,597	21,39,007
Revenue from operations (net)		15,21,67,745	26,18,68,289
2 Other income	20	35,31,293	22,04,225
3 Total revenue (1+2)		15,56,99,038	26,40,72,514
4 Expenses			
Cost of Material Consumed	21.a	8,05,47,082	1,64,56,568
Changes in Inventories of finished goods, work-in-progress and stock-in-trade	21.b	-	(1,03,780)
Employee benefits expense	22	71,01,711	73,38,166
Finance costs	23	6,34,00,569	6,87,50,281
Depreciation and amortisation expense	11	35,77,470	39,41,549
Other expenses	24	14,12,29,788	18,77,74,834
Total expenses		29,58,56,619	28,41,57,618
5 Profit / (Loss) before tax (3 - 4)		(14,01,57,581)	(2,00,85,104)
6 Tax expense:			
Current tax expense for current year		-	-
Current tax expense relating to prior years		-	-
Deferred tax	29	(2,68,347)	2,33,864
		(2,68,347)	2,33,864
7 Profit / (Loss) for the year (5 - 6)		(13,98,89,234)	(2,03,18,968)
8.1 Earnings per share (of ₹ 10/- each):	28		
(a) Basic		(4.04)	(1.04)
(b) Diluted		(3.91)	(0.70)
See accompanying notes forming part of the financial statements	1-33		

In terms of our report attached.

For **Sumanta & Co.**

Firm Regn. No. 322554E

Chartered Accountants

Pradeep Kumar Agarwal

Partner

Membership No. 056521

Place : Kolkata

Date : 30th May, 2014

For and on behalf of the Board of Directors

Tarkeshwar Singh
Company Secretary

Prashant Mehra
Managing Director

Mahesh Mehra
Whole-time Director

Cash Flow Statement for the year ended 31 March, 2014

(Amount in ₹)

PARTICULARS	For the year ended 31st March, 2014	For the year ended 31st March, 2013
A. Cash flow from operating activities		
Net Profit / (Loss) before extraordinary items and tax	(14,01,57,581)	(2,00,85,104)
<u>Adjustments for:</u>		
Depreciation and amortisation	35,77,470	39,41,549
Loss/(gains) on Sale of Fixed Assets	-	-
Finance costs	6,34,00,569	6,87,50,281
Interest income	(21,52,408)	(18,05,485)
Operating profit / (loss) before working capital changes	(7,53,31,950)	5,08,01,241
<u>Changes in working capital:</u>		
<u>Adjustments for (increase) / decrease in operating assets:</u>		
Inventories	30,73,686	58,03,263
Trade receivables	18,65,65,003	(22,48,63,235)
Short-term loans and advances	1,59,37,160	20,33,82,835
Long-term loans and advances	37,15,430	(2,31,86,929)
Other current assets	22,27,890	13,94,544
Adjustments for increase / (decrease) in operating liabilities:		
Other long term liabilities	-	-
Long term provisions	5,000	10,000
Trade payables	(19,12,80,399)	9,87,96,383
Other current liabilities	2,67,24,413	(46,95,100)
Short-term provisions	-	-
Cash flow from extraordinary items	-	-
Cash generated from operations	(2,83,63,767)	10,74,43,002
Net income tax (paid) / refunds	(4,66,436)	(53,78,708)
Net cash flow from / (used in) investing activities (A)	2,88,30,203	102,064,294
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	-	-
Proceeds from sale of Fixed Assets	-	-
Bank balances not considered as Cash and cash equivalents		
- Placed	-	-
- Matured	(42,13,247)	1,13,60,225
Purchase of long-term investments		
- Others	(26,000)	(12,34,10,000)
Loans & Advances given		
- Subsidiaries & Step down subsidiaries	(88,16,931)	(1,79,29,593)
- Joint Ventures	(1,42,616)	(1,42,710)
Interest received		
- Others	21,52,408	18,05,485
Cash flow from extraordinary items	-	-
Net cash flow from / (used in) investing activities (B)	(1,10,46,386)	(12,83,16,593)

Cash Flow Statement for the year ended 31 March, 2014

(Amount in ₹)

PARTICULARS	For the year ended 31st March, 2014	For the year ended 31st March, 2013
C. Cash flow from financing activities		
Proceeds from issue of share warrants	(12,34,95,000)	2,74,51,250
Share Application Money received/(refunded)	-	-
Proceeds from conversion of share warrants into shares	16,52,75,000	-
Net increase / (decrease) in working capital borrowings	5,88,27,247	6,59,06,692
Finance cost	(6,34,00,569)	(6,87,50,281)
Cash flow from extraordinary items	-	-
Net cash flow from / (used in) financing activities (C)	3,72,06,678	2,46,07,661
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	(26,69,911)	(16,44,639)
Cash and cash equivalents at the beginning of the year	55,31,659	71,76,298
Cash and cash equivalents at the end of the year	28,61,748	55,31,659
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet (Refer Note 16)	2,16,08,065	2,00,64,729
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements		
Deposit pledged with bank as security against borrowings	1,85,82,637	1,43,69,390
IPO refund account	1,63,680	1,63,680
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 16	28,61,748	55,31,659
Add: Current investments considered as part of Cash and cash equivalents (as defined in AS 3 Cash Flow Statements)	-	-
Cash and cash equivalents at the end of the year *	28,61,748	55,31,659
* Comprises:		
(a) Cash on hand	25,69,556	45,08,048
(c) Balances with banks		
(i) In current accounts	2,92,192	10,23,610
(ii) In deposit accounts with original maturity of less than 3 months	-	-
	28,61,748	55,31,659

Notes:

- The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.
- These earmarked account balances with banks can be utilised only for the specific identified purposes.

See accompanying notes forming part of the financial statements

In terms of our report attached.

For **Sumanta & Co.**

Firm Regn. No. 322554E

Chartered Accountants

Pradeep Kumar Agarwal

Partner

Membership No. 056521

Place : Kolkata

Date : 30th May, 2014

For and on behalf of the Board of Directors

Tarkeshwar Singh
Company Secretary

Prashant Mehra
Managing Director

Mahesh Mehra
Whole-time Director

Notes forming part of the financial statements

Note 1: CORPORATE INFORMATION

Kaushalya Infrastructure Development Corporation Limited (the company) is a public 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 company is primarily engaged in executing construction contracts relating to infrastructure and real estate developments.

Moreover, it also carries on the business in hotel segment and hotel industry and is also engaged in acquiring and purchasing of land. The company's services are limited to domestic markets only.

Note 2: SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

2.3 Inventories

The stock of raw materials, stores and spares, other construction materials and fuel are valued at cost under FIFO method or net realizable value whichever is lower.

Work-in-progress is valued at cost.

2.4 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.5 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.6 Depreciation

Depreciation is charged on Straight Line Method at the rates and in the manner prescribed under Schedule XIV to the Companies Act, 1956.

2.7 Revenue recognition

Income from services

Revenues from contracts priced on a time and material basis are recognised when services are rendered and related costs are incurred. Revenues from turnkey contracts, which are generally time bound fixed price contracts, are recognised over the life of the contract using the proportionate completion method, with contract costs determining the degree of completion. Foreseeable losses on such contracts are recognised when probable.

Revenues from maintenance contracts are recognised pro-rata over the period of the contract.

Contract Income

- a. The company follows the policy of recognizing the 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 in the turnover and deducts the same amount from the uncertified portion of the revenue of the respective financial year.
- b. It is to be noted that out of the total revenue of ₹15,77,35,831/- in the financial year 2013-14, an amount of ₹ 2,75,00,000/- is pending for certification.

Income from Hotel:

Income from hotel is recognized on accrual basis.

2.8 Other income

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

2.9 Tangible Fixed Assets

- a. 'Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Exchange differences arising on

Notes forming part of the financial statements

restatement/settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalized and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure relating to fixed assets is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Fixed assets acquired and put to use for project purpose are capitalized and depreciation thereon is included in the project cost till commissioning of the project.

Fixed assets acquired in full or part exchange for another asset are recorded at the fair market value or the net book value of the asset given up, adjusted for any balancing cash consideration. Fair market value is determined either for the assets acquired or asset given up, whichever is more clearly evident. Fixed assets acquired in exchange for securities of the Company are recorded at the fair market value of the assets or the fair market value of the securities issued, whichever is more clearly evident.

'Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realizable value and are disclosed separately in the Balance Sheet.

- b. However, few machines are lying idle, though depreciation has been charged on them in the usual manner.

2.10 Investments

- a. Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments includes acquisition charges such as brokerage, fees and duties.

Investment properties are carried individually at cost less accumulated depreciation and impairment, if any. Investment properties are capitalized and depreciated (where applicable) in accordance with the policy stated for Tangible Fixed Assets. Impairment of investment property is determined in accordance with the policy stated for Impairment of Assets.

b. Investment in Private companies :

The company has investment to the tune of ₹ 12,34,10,000/- in the equity shares of few Private companies, by way of conversion of advances into investment, (details of which has been shown in Note 12 under "Trade Investments" in the 'Others' category), which has resulted to a share holding of more than 20% voting power in each of such private companies.

However, the company has confirmed that it does not have the right to exercise any sort of influence in those companies, even if it holds a substantial percentage of voting power.

2.11 Employee Benefits

Employee benefits include provident fund, ESI and gratuity. Contribution to Provident fund, ESI, Medical reimbursement etc. is charged to the Profit and Loss account as incurred.

The provision for gratuity has been made, without any actuarial valuation, and also not paid to any gratuity fund.

2.12 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.

2.13 Segment reporting

The Company is solely engaged in construction contracts for infrastructure development. The other business i.e. hotel is insignificant in terms of risk as well as rewards since it does not constitute even 1% in terms of revenue, expenses and profit as given in table below.

	Construction		Hotel		Total	
	₹ In Lacs	% of Total	₹ In Lacs	% of Total	₹ In Lacs	%
Revenue	1,577.36	99.28	11.37	0.72	1,588.73	100.00
Expenses	2,915.05	99.74	7.74	0.26	2,922.79	100.00
Profit/(Loss) before Depreciation	(1,337.69)	100.27	3.63	(0.27)	(1,334.06)	100.00

Notes forming part of the financial statements

As such there are no separately identifiable primary segments.

In so far as geographical segment is concerned, the company is carrying out its business only in domestic markets. Therefore, there are no separately identifiable geographical segments.

2.14 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.15 Taxes on income

"Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognized on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognized for all timing differences. Current and deferred tax relating to items directly recognized in equity is recognized in equity and not in the Statement of Profit and Loss.

2.16 Joint Venture Operations

The accounts of the Company reflect its share of the Assets, Liabilities, Income and Expenditure of the Joint Venture Operations which are accounted on the basis of

the audited accounts of the Joint Ventures on line-by-line basis with similar items in the Company's accounts to the extent of the participating interest of the Company as per the Joint Venture Agreements.

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 & advances or current liabilities.

2.17 Impairment of assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

2.18 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

2.19 Service Tax Input Credits

Service tax input credit is accounted for in the books in the period in which the underlying service received.

2.20 Advances to Subsidiaries :

The Company has advance ₹ 517,833,183/- in aggregate to its subsidiaries, out of which advances to the tune of ₹ 516,319,945/- has been made under agreements to purchase land. Amount to ₹ 513,541,675/- had already been utilized by the subsidiaries for the purchase of land. However, transfer of land to the parent company is yet to be made as acquisition of land is under progress.

Notes forming part of the financial statements

Note 3 : SHARE CAPITAL

(Amount in ₹)

Particulars	As at 31 March, 2014		As at 31 March, 2013	
	Number of shares	₹	Number of shares	₹
(a) Authorised				
Equity shares of ₹ 10/- each with voting rights	3,50,00,000	35,00,00,000	3,50,00,000	35,00,00,000
	3,50,00,000	35,00,00,000	3,50,00,000	35,00,00,000
(b) Issued				
Equity shares of ₹ 10/- each with voting rights	3,46,30,630	34,63,06,300	1,96,05,630	19,60,56,300
	3,46,30,630	34,63,06,300	1,96,05,630	19,60,56,300
(c) Subscribed and fully paid up				
Equity shares of ₹ 10/- each with voting rights	3,46,30,630	34,63,06,300	1,96,05,630	19,60,56,300
Total	3,46,30,630	34,63,06,300	1,96,05,630	19,60,56,300

Refer Notes (i) to (ii) below

Notes :

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Fresh Issue	Other Changes	Closing Balance
Issued, Subscribed and Fully Paid-up				
Equity shares with voting rights				
Year ended 31 March, 2014				
- Number of shares	1,96,05,630	1,50,25,000	-	3,46,30,630
- Amount (₹)	19,60,56,300	15,02,50,000	-	34,63,06,300
Year ended 31 March, 2013				
- Number of shares	1,96,05,630	-	-	1,96,05,630
- Amount (₹)	19,60,56,300	-	-	19,60,56,300

(ii) Details of shares held by each shareholder holding more than 5% shares :

Class of shares / Name of shareholder	As at 31 March, 2014		As at 31 March, 2013	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Mahanti Engineers Pvt. Ltd.	50,82,600	14.68	30,82,600	15.72
Sunkissed Merchandise Pvt. Ltd.	50,22,900	14.50	29,62,900	15.11
Keleenworth Marketing Pvt. Ltd.	43,36,350	12.52	23,36,350	11.92
Total	1,44,41,850	41.70	83,81,850	42.75

Notes forming part of the financial statements

(Amount in ₹)

Note 4 : RESERVES & SURPLUS

Particulars	As at 31 March, 2014	As at 31 March, 2013
(a) Securities premium account		
Opening balance	47,93,84,836	46,43,59,836
Add : Premium on shares issued during the year	-	-
Less : Utilised during the year for:	-	-
Closing balance	47,93,84,836	46,43,59,836
(b) Revaluation Reserve		
Opening balance	2,39,87,021	2,39,87,021
Add: Addition on revaluations during the year	-	-
Less: Utilised for set off against depreciation	-	-
Closing balance	2,39,87,021	2,39,87,021
(c) General Reserve		
Opening balance	2,45,00,000	2,45,00,000
Add: Transferred from surplus in Statement of Profit and Loss	-	-
Less: Utilised / transferred during the year for:	-	-
Closing balance	2,45,00,000	2,45,00,000
(d) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	18,92,41,410	20,95,60,379
Add: Profit / (Loss) for the year	(13,98,89,234)	(2,03,18,968)
Closing balance	4,93,52,176	18,92,41,410
Total	57,72,24,033	70,20,88,267

Note 5 : OTHER LONG TERM LIABILITIES

Particulars	As at 31 March, 2014	As at 31 March, 2013
Advances from Related Parties		
Joint Venture & Associates	95,19,980	96,62,596
Total	95,19,980	96,62,596

Note 6 : LONG TERM PROVISIONS

Particulars	As at 31 March, 2014	As at 31 March, 2013
Provision for Employee Benefits - Gratuity	8,41,411	8,36,411
Total	8,41,411	8,36,411

Notes forming part of the financial statements

(Amount in ₹)

Note 7 : SHORT TERM BORROWINGS

Particulars	As at 31 March, 2014	As at 31 March, 2013
(a) Cash Credit From Banks		
Secured		
(i) State Bank of India	25,69,03,947	22,84,88,152
State Bank of India CC	15,25,40,295	14,94,25,623
State Bank of India FITL	3,53,78,122	1,07,15,529
State Bank of India WCTL	6,89,85,530	6,83,47,000
(Secured by way of hypothecation of stock of raw material, work-in-progress, book debts and personal guarantee of directors and their relatives, collateral security of property of the company and group companies.)		
(ii) Indian Overseas Bank	29,66,80,128	26,62,68,676
Indian Overseas Bank CC	17,03,42,544	16,28,72,764
Indian Overseas Bank FITL	4,26,02,584	1,96,60,912
Indian Overseas Bank WCTL	8,37,35,000	8,37,35,000
(Secured by way of hypothecation of stock of raw material, work-in-progress, book debts and personal guarantee of directors and their relatives, collateral security of property of the company and group companies.)		
(iii) Other Loans & Advances	-	-
(Secured by way of hypothecation of stock of raw material, work-in-progress, book debts and personal guarantee of directors and their relatives, collateral security of property of the company and group companies.)		
Total	55,35,84,075	49,47,56,828

Note 8 : TRADE PAYABLES

Particulars	As at 31 March, 2014	As at 31 March, 2013
Acceptances	-	-
Other than Acceptances	19,47,10,159	38,59,90,558
Total	19,47,10,159	38,59,90,558

Note 9 : OTHER CURRENT LIABILITIES

Particulars	As at 31 March, 2014	As at 31 March, 2013
Statutory Remittances	1,15,30,993	58,04,167
Advances from customers/ contractors	7,68,20,329	5,58,22,742
Share Application Money Due for refund	1,63,680	1,63,680
	8,85,15,002	6,17,90,589

Note 10 : SHORT TERM PROVISIONS

Particulars	As at 31 March, 2014	As at 31 March, 2013
Provision for Income-tax	6,36,14,019	6,36,14,019
Provision for FBT	4,35,336	4,35,336
	6,40,49,355	6,40,49,355

Notes forming part of the financial statements

(Amount in ₹)

Note 11 : FIXED ASSETS

Particulars	SLM Rate of Dep	Gross Block				Depreciation				Net Block	
		As at 01.04.2013	Additions	Deductions	Total	Upto 31.03.2013	For the Year	Sales/ Adjustments	Total	As at 31.03.2014	As at 31.03.2013
TANGIBLE ASSETS											
(a) Buildings											
Own use		9,993,919	–	–	9,993,919	1,675,016	161,152	–	1,836,168	8,157,751	8,318,903
Construction	1.63%	107,298	–	–	107,298	107,298	–	–	107,298	–	–
- Site Building	1.63%	107,298	–	–	107,298	107,298	–	–	107,298	–	–
Hotel	1.63%	9,886,621	–	–	9,886,621	1,567,718	161,152	–	1,728,870	8,157,751	8,318,903
- Building	1.63%	9,886,621	–	–	9,886,621	1,567,718	161,152	–	1,728,870	8,157,751	8,318,903
(b) Plant and Equipment											
Owned		65,467,460	–	–	65,467,460	23,116,286	2,964,018	–	26,080,304	39,387,156	42,351,174
Construction		64,671,342	–	–	64,671,342	22,729,865	2,926,202	–	25,656,067	39,015,275	41,941,477
- Plant & Machinery	4.75%	61,604,246	–	–	61,604,246	19,662,769	2,926,202	–	22,588,971	39,015,275	41,941,477
- JCB Excavator	11.31%	3,067,096	–	–	3,067,096	3,067,096	–	–	3,067,096	–	–
Hotel	4.75%	796,118	–	–	796,118	386,421	37,816	–	424,237	371,881	409,697
- Plant & Machinery	4.75%	796,118	–	–	796,118	386,421	37,816	–	424,237	371,881	409,697
(c) Furniture and Fixtures											
Owned		4,742,753	–	–	4,742,753	3,713,624	125,695	–	3,839,319	903,434	1,029,129
Construction	6.33%	1,985,707	–	–	1,985,707	956,578	125,695	–	1,082,273	903,434	1,029,129
Hotel	9.50%	2,757,046	–	–	2,757,046	2,757,046	–	–	2,757,046	–	–
(d) Vehicles											
Owned		7,627,741	–	–	7,627,741	7,141,175	326,605	–	7,467,780	159,961	486,566
Construction		7,616,183	–	–	7,616,183	7,130,402	325,820	–	7,456,222	159,961	485,781
- Motor Car	9.50%	3,402,899	–	–	3,402,899	2,938,809	323,275	–	3,262,084	140,815	464,090
- Vehicles	11.31%	4,177,289	–	–	4,177,289	4,177,289	–	–	4,177,289	–	–
- Cycles	7.07%	35,995	–	–	35,995	14,304	2,545	–	16,849	19,146	21,691
Hotel	11.31%	11,558	–	–	11,558	10,773	785	–	11,558	–	785
- Vehicles	11.31%	11,558	–	–	11,558	10,773	785	–	11,558	–	785
(e) Office equipment											
Owned		981,084	–	–	981,084	981,084	–	–	981,084	–	–
Construction	16.21%	944,534	–	–	944,534	944,534	–	–	944,534	–	–
- Computer	16.21%	944,534	–	–	944,534	944,534	–	–	944,534	–	–
Hotel	16.21%	36,550	–	–	36,550	36,550	–	–	36,550	–	–
- Computer	16.21%	36,550	–	–	36,550	36,550	–	–	36,550	–	–
Total (₹)		88,812,957	–	–	88,812,957	36,627,185	3,577,470	–	40,204,655	48,608,302	52,185,772
Previous Year (₹)		88,812,957	–	–	88,812,957	32,685,636	3,941,549	–	36,627,185	52,185,772	56,127,321

Notes forming part of the financial statements

Note 12 : NON CURRENT INVESTMENTS

(Amount in ₹)

	FV	As at 31 March, 2014		As at 31 March, 2013	
		Nos.	₹	Nos.	₹
A. Trade Investments					
(a) Investment in Unquoted, fully paid-up Equity Shares of :					
(i) <u>Subsidiary Companies</u>					
Bengal Kaushalya Nirman Ltd.	10	1,02,000	10,20,000	1,02,000	10,20,000
Bengal KDC Housing Development Ltd.	10	1,02,000	10,20,000	1,02,000	10,20,000
Kaushalya Energy Pvt. Ltd.	10	95,500	9,55,000	95,500	9,55,000
Kaushalya Nirman Pvt. Ltd.	10	46,000	19,40,000	46,000	19,40,000
Kaushalya Township Pvt. Ltd.	10	3,17,357	1,55,07,850	3,17,357	1,55,07,850
Orion Abasaan Pvt. Ltd.	10	29,000	10,90,000	29,000	10,90,000
Total (A)		6,91,857	2,15,32,850	6,91,857	2,15,32,850
(ii) <u>Others</u>					
Balaji Turnkey Projects Solution (P) Ltd.	10	2,28,600	5,14,35,000	2,28,600	5,14,35,000
Enlightened Projects Ltd.	10	1,95,500	2,93,25,000	1,95,500	2,93,25,000
Orkay Engineering Ltd.	10	8,53,000	4,26,50,000	8,53,000	4,26,50,000
Flare Realty Engineering (P) Ltd.	10	2,600	26,000	-	-
Total (B)		12,79,700	12,34,36,000	12,77,100	12,34,10,000
Total (A) + (B)		19,71,557	14,49,68,850	19,68,957	14,49,42,850
(b) Investment Property (Ref. Note 12.a)			2,65,61,000		2,65,61,000
			<u>2,65,61,000</u>		<u>2,65,61,000</u>
B. Other than Trade Investments					
Gold Coins [50 Gms. Each]	10		4,79,265	10	4,79,265
	10		<u>4,79,265</u>	10	<u>4,79,265</u>
Total			17,20,09,115		17,19,83,115
Aggregate value of unquoted Investments			<u>14,49,68,850</u>		<u>14,49,42,850</u>

Notes forming part of the financial statements

(Amount in ₹)

Note 13 : LONG TERM LOANS AND ADVANCES

Particulars	As at 31 March, 2014	As at 31 March, 2013
Unsecured and considered good		
Security Deposits & Earnest Money Deposits	11,31,12,685	11,80,65,993
Mobilization Advances	-	3,00,745
Other Advance	2,75,44,572	2,60,05,949
Advances to related parties		
Subsidiary Companies	51,77,36,695	50,89,19,764
Step Down Subsidiaries	96,488	96,488
Total	65,84,90,440	65,33,88,939
Note (i) Long Term Loans and Advances includes due from		
Directors	-	-
Other officers of the Company	-	-
Firms in which any director is a partner	-	-
Private companies in which any director is a director*	13,61,25,474	13,61,25,474
Private companies in which any director is a member*	25,20,33,999	25,20,33,999
Total	38,81,59,473	38,81,59,473

* The entire amount is due from subsidiaries companies.

Note 14 : INVENTORIES

Particulars	As at 31 March, 2014	As at 31 March, 2013
Raw Materials	66,08,800	90,70,029
Work in Progress		
- Construction Work in Progress	41,04,085	41,04,085
- Stores & Spares	32,860	6,45,317
Total	1,07,45,745	1,38,19,431

Note 15 : TRADE RECEIVABLES

Particulars	As at 31 March, 2014	As at 31 March, 2013
Unsecured, considered good		
Overdue for a period exceeding six months	67,01,25,891	72,05,05,498
Other Trade receivables	9,35,54,657	22,97,40,052
Total	76,36,80,548	95,02,45,551

Notes forming part of the financial statements

Note 16 : CASH AND CASH EQUIVALENTS

(Amount in ₹)

Particulars	As at 31 March, 2014	As at 31 March, 2013
(a) Cash on hand (as certified by the management)	25,69,556	45,08,048
(b) Balances with banks		
(i) In current accounts	2,92,192	10,23,610
(ii) In earmarked accounts (Refer Note (i) below)		
Balances in Deposit Accounts held as margin money or security against borrowings, guarantees and other commitments (Refer Note (i) below)	1,85,82,637	1,43,69,390
Share application money received for allotment of securities and due for refund	1,63,680	1,63,680
	2,16,08,065	2,00,64,729
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is	28,61,748	55,31,659

Notes:

- (i) Includes deposits amounting to ₹ 17,941,708/- (As at 31 March, 2013 ₹ 14,367,250/-) which have an original maturity of more than 12 months.

Note 17 : SHORT TERM LOANS AND ADVANCES

Particulars	As at 31 March, 2014	As at 31 March, 2013
Unsecured, considered good		
Advances to Suppliers & Subcontractors	2,65,73,391	5,82,71,648
Advances to Employees	4,37,019	16,05,924
Advance against Expenses	60,94,142	35,21,717
Other Advance	1,90,63,637	26,54,572
Prepaid Expenses (Unsecured, considered good)	4,85,764	25,37,253
Balances with government authorities		
Income Tax Payments	11,38,48,322	11,33,81,886
Total	16,65,02,275	18,19,73,000

Note 18 : OTHER CURRENT LIABILITIES

Particulars	As at 31 March, 2014	As at 31 March, 2013
Accruals		
Interest accrued on deposits	5,24,364	27,52,255
	5,24,364	27,52,255

Notes forming part of the financial statements

(Amount in ₹)

Note 19 : REVENUE FROM OPERATIONS

Particulars	For the year Ended 31st March, 2014	For the year Ended 31st March, 2013
Sale of Services (Gross)		
Contract Receipts	15,77,35,831	26,37,05,308
Other Operating Revenues	—	—
Profit from Hotel (Refer Note 19A)	3,62,511	3,01,988
	<u>15,80,98,342</u>	<u>26,40,07,296</u>
Less: Service Tax	59,30,597	21,39,007
Total	<u>15,21,67,745</u>	<u>26,18,68,289</u>

Note 19A : PROFIT FROM HOTEL BUSINESS

Particulars	For the year Ended 31st March, 2014	For the year Ended 31st March, 2013
REVENUE FROM OPERATIONS		
Food Sale	262,187	159,533
Room Rent	472,194	313,000
Service Income	125	390
Cultivation Income	402,700	599,800
Total (A)	<u>1,137,206</u>	<u>1,072,723</u>
EXPENDITURE		
Raw Food Purchased	149,079	108,762
Fuel (Cooking)	33,112	21,363
Repairs & Maintenance - Buildings	54,632	99,456
Transport Expenses	810	—
Stores	12,823	15,191
Employee Benefits		
Salary	26,100	28,800
Site Allowance	5,400	7,200
Administrative & Other Expenses		
Bank Charges	550	82
Books & Periodicals	1,683	1,524
Electricity Charges	88,300	92,679
Cultivation Expenses	203,450	252,210
General Expenses	18,396	15,720
Gardening Expenses	27,734	20,490
Medical Expenses	250	—
Labour Charges incl. Allowances	76,050	57,240
Laundry Expenses	5,056	3,528
Legal & Professional Charges	9,000	—
Postage/Fax/Courier	120	230
Printing & Stationery	—	680
Rates & Taxes	3,200	7,894
Security Expenses	49,000	32,880
Subscription	7,204	3,851
Telephone Expenses	—	—
Travelling & Conveyance	2,746	955
Total (B)	<u>774,695</u>	<u>770,735</u>
Profit/(Loss) before Depreciation (A-B)	<u>362,511</u>	<u>301,988</u>

Notes forming part of the financial statements

(Amount in ₹)

Note 20 : OTHER INCOME

Particulars	For the year Ended 31st March, 2014	For the year Ended 31st March, 2013
Interest Income		
Interest from Bank on Deposits	21,52,408	18,05,485
Miscellaneous Income	13,78,885	3,98,740
(Net of expenses directly attributable ₹ Nil Prev. Year ₹ Nil)		
Total	35,31,293	22,04,225

Note 21A : COST OF MATERIAL CONSUMED

Particulars	For the year Ended 31st March, 2014	For the year Ended 31st March, 2013
Opening stock	97,15,346	1,56,22,389
Add: Purchases	7,74,73,396	1,05,49,525
	8,71,88,742	2,61,71,914
Less: Closing stock	66,41,660	97,15,346
Cost of material consumed	8,05,47,082	1,64,56,568

Note 21B : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE

Particulars	For the year Ended 31st March, 2014	For the year Ended 31st March, 2013
Inventories at the beginning of the year:		
Work-in-progress	41,04,085	40,00,305
	41,04,085	40,00,305
Less: Inventories at the end of the year:		
Work-in-progress	41,04,085	41,04,085
	41,04,085	41,04,085
Net (increase) / decrease	-	(1,03,780)

Notes forming part of the financial statements

(Amount in ₹)

Note 22 : EMPLOYEE BENEFIT EXPENSES

Particulars	For the year Ended 31st March, 2014	For the year Ended 31st March, 2013
Salary, Allowances & Bonus	41,43,371	45,23,653
Directors' Remuneration	25,20,000	23,20,500
Contribution to PF, ESI & Other Funds	50,288	78,185
Staff Welfare	3,83,052	4,05,828
Employee Retirement Benefits	5,000	10,000
	71,01,711	73,38,166

Note 23 : FINANCE COSTS

Particulars	For the year Ended 31st March, 2014	For the year Ended 31st March, 2013
(a) Interest expense on:		
(i) Borrowings	5,73,39,291	6,48,43,834
(ii) Delayed/Deferred payment of taxes	2,53,745	11,77,004
(b) Other borrowing costs	58,07,533	27,29,443
(c) Net (gain)/loss on currency fluctuation	-	-
	6,34,00,569	6,87,50,281

Note 24 : OTHER EXPENSES

Particulars	For the year Ended 31st March, 2014	For the year Ended 31st March, 2013
Contract Operating Expenses		
Consumption of Stores & Spare Parts	19,57,144	9,04,569
Unrecoverable Works Contract	6,57,13,930	-
Subcontractor Charges	-	17,32,63,653
Hire Charges	34,26,065	13,08,370
Labour Charges & Allowances	3,54,81,567	49,07,525
Power & Fuel	3,33,212	3,52,884
Repairs & Maintenance- Machinery	7,13,377	3,82,718
Freight Charges	65,320	1,10,535
Service Tax	65,83,749	-
Works Contract Tax	86,86,814	7,97,177
Survey Charges	29,650	-
	12,29,90,828	18,20,27,431

Notes forming part of the financial statements

(Amount in ₹)

Note 24 : OTHER EXPENSES (Contd.)

Particulars	For the year Ended 31st March, 2014	For the year Ended 31st March, 2013
Administrative Expenses		
Rent	12,70,850	12,61,533
Rates & Taxes	5,41,966	4,59,402
Insurance	77,535	37,843
Consultancy & Professional Charges	14,83,718	13,03,549
Directors' Sitting Fee	83,000	1,49,663
Electricity Charges	2,44,871	1,81,836
Post, Telegraph, Telephone & Internet	4,68,550	4,77,789
Travelling & Conveyance	8,35,015	9,52,624
Printing & Stationery	3,22,922	2,61,792
Security Guard Expenses	-	1,88,605
Payment to Auditors		
- As Audit Fees	84,270	84,270
- As Tax Audit Fees	28,090	28,090
- For Certification	9,552	4,200
Miscellaneous Expenses	1,59,300	1,44,880
	56,09,639	55,36,075
Selling & Distribution Expenses		
Advertisement	1,35,550	1,89,598
Subscription	13,521	21,730
	1,49,071	2,11,328
Other Expenses		
Sundry Debit/ (Credit) Balance W/Off	1,24,80,250	-
	1,24,80,250	-
Total	14,12,29,788	18,77,74,834

Note 25 : ADDITIONAL INFORMATION OF THE FINANCIAL STATEMENTS

25.1: Moneys received against share warrants

The Board of Directors of the Company at their meeting held on 31st August, 2011 and as approved at its Annual General Meeting held on 30th September, 2011 have resolved to create, offer, issue and allot up to 15,025,000 warrants, convertible into 15,025,000 equity shares of ₹ 11/- each on a preferential allotment basis, pursuant to Section 81(1A) of the Companies Act, 1956, at a conversion price of ₹ 11/- per equity share of the Company, arrived at in accordance with the SEBI Guidelines in this regard and subsequently these warrants were allotted on (date) to the promoters and others. It is noted that 100% application money amounting to ₹ 165,275,000/- was received from them before 21.05.2013. The Company converted said warrants into equivalent number of shares on 15.05.2013.

Notes forming part of the financial statements

(Amount in ₹)

25.2. Contingent Liabilities and Commitments to the extent not provided for

Sl. No.	Particulars	As on 31.03.2014	As on 31.03.2013
1.	a. Counter guarantees given to Bankers to obtain various Bank Guarantees against which fixed deposit receipts have been pledged by the Company.	56,297,983	31,070,270
	b. Performance Guarantee given on behalf of Joint Venture Entities	Nil	14,812,525
	c. Share of the company in the Contingent Liability of Joint Venture Entities	Nil	Nil
	d. Capital Commitment of the company in Joint Venture Entities	Nil	Nil
	e. Share of the company in the Capital Commitment of the Joint Venture Entities	Nil	Nil
2.	Claims not acknowledged as debts		
	Income Tax Demand (Assessment Year 2004-05)	3,771,602	3,771,602
	Income Tax Demand (Assessment Year 2005-06)	72,381	72,381
	Income Tax Demand (Assessment Year 2006-07)	923,573	923,573
	Income Tax Demand (Assessment Year 2007-08)	4,098,684	4,098,684
	Income Tax Demand (Assessment Year 2010-11)	3,761,030	3,761,030
	Income Tax Demand (Assessment Year 2011-12)	4,165,834	NIL
	Income Tax Demand (Assessment Year 2012-13)	2,59,290	NIL

25.3 : Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

The Company is in the process of identifying the suppliers, who would be covered under the Micro, Small and Medium Enterprises Development Act, 2006. As confirmed by the management, the company has not yet received any information about such registration from the vendors and such information will be provided as and when confirmation is received from them. However, as regards the same, no documentary evidence has been found during the course of audit.

25.4 : Disclosure as per clause 32 of the listing agreement

(loans and advances in the nature of loans given to subsidiaries, associates and others and investment in shares of the Company by the such parties)

The loans and advances in the nature of advances given by the company to its subsidiaries, amounts to ₹ 51,78,33,183/-, in aggregate as on 31st March, 2014. The details of the same have been provided below :

(a) Loans and advances in the nature of advances given to subsidiaries, associates and others

(Amount in ₹)

Sl. No.	Name of the Subsidiary	Balance as at 31.03.2014	Maximum Balance 2013-14	Balance as at 31.03.2013	Maximum Balance 2012-13
1	Bengal Kaushalya Nirman Ltd.	38,000	38,000	38,000	38,000
2	Bengal KDC Housing Development Ltd.	119,128,986	131,759,986	131,759,986	131,759,986
3	Kaushalya Energy (P) Ltd.	Nil	3,395,100	4,231,000	4,231,000
4	Kaushalya Nirman (P) Ltd.	58,876,430	67,083,317	67,083,317	67,712,157
5	Azur Solar KDC (P) Ltd.	1,475,238	1,475,238	96,488	96,488
6	Kaushalya Township (P) Ltd.	225,922,822	261,727,246	252,033,999	252,089,999
7	Orion Abasaan (P) Ltd.	112,391,707	113,091,707	54,673,462	54,673,462

(b) Investment in shares of the Company by such subsidiaries, associates and others

Name of the subsidiary	As at 31 March, 2014	As at 31 March, 2013
	Nil	Nil

Notes forming part of the financial statements

25.5 : Disclosure required in terms of Clause 13.5A of Chapter XIII on Guidelines for preferential issues, SEBI (Amount in ₹)

Particulars	During the year Ended 31.03.2014
Total amount received from issue of share warrants	165,275,000
Purpose for which money has been utilized	
(a) Advances to Subsidiaries	105,935,000
(b) Working Capital	59,340,000
Unutilized money as at 31st March, 2014	NIL

25.6 : Expenditure in Foreign Currency (Gross before TDS) (on accrual basis)

Particulars	For the year Ended 31st March, 2014	For the year Ended 31st March, 2013
Traveling and Conveyance	Nil	Nil
Loss in repayment of Term Loan	Nil	Nil

25.7 : Details of consumption of imported and indigenous items

Particulars	For the year ended 31st March, 2014		For the year ended 31st March, 2013	
	Amount (₹)	%	Amount (₹)	%
Indigenous				
Raw Material	80,547,082	100	16,456,568	100
Components	Nil	Nil	Nil	Nil
Spare Parts	1,957,144	100	904,569	100
Imported				
Raw Material	Nil	Nil	Nil	Nil
Components	Nil	Nil	Nil	Nil
Spare Parts	Nil	Nil	Nil	Nil

25.8 : Earning in foreign exchange (net of TDS): Nil

25.9 : Amount remitted in foreign currency during the year on account of dividend: Nil

25.10 : Current assets

In the opinion of the Board, the current assets have value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet. However, the following are the areas of concern.

a Outstanding Sundry debtors.

Out of total Sundry Debtors of ₹ 763,680,548/-, an amount of ₹ 670,125,891/- is outstanding since long, and out of which several debtors are under dispute.

b. Sundry Debit/(Credit) Balance W/Off :

The total sundry debit balances, which had been written off during the financial year 2013-14 amounted to ₹ 41,216,937/- out of which, debit balance to the tune of ₹ 28,736,687/- had been netted off with the credit balance of the same amount and the balance had been shown under the head of other expenses as Sundry Debit/ (Credit) Balance W/Off, in the statement of Profit and loss.

Notes forming part of the financial statements

The major detail of the Sundry Credit Balance Written Off is as follows:

i. Sundry Creditors	₹ 12,538,221/-
ii. Security Deposit	₹ 14,407,341/-
iii. Statutory Dues	₹ 628,315/-
iv. Advance from Parties	₹ 1,045,155/-
v. Liability for Expenses	₹ 117,655/-

The major detail of the Sundry Debit Balance Written Off is as follows :

i. Sundry Debtors	₹ 21,756,728/-
ii. Advances to Parties	₹ 13,551,095/-
iii. Security Deposit and Earnest money	₹ 1,310,524/-
iv. Duties and taxes	₹ 2,597,992/-
v. Advance to staff	₹ 1,496,271/-
vi. Retention against penalty	₹ 504,328/-

c. Short-term Advances:

The Company had advanced a net amount of ₹ 19,063,637/- to Flare Realty Engineers Private Limited, which was incorporated as a step-down subsidiary of the company, for meeting its working capital requirements. However, Flare Realty Engineers Private Limited has subsequently raised additional equity from outsiders to finance the project further and hence it ceased to be the subsidiary of the company as on 31st March, 2014.

Note 25.11: Statutory Compliances

The following areas are of concern :

a. Service Tax Payable: Following information is worth noting in this regard-

- The company opted for the VCES, 2013 for the service tax payable corresponding to the period from April' 2009 to December' 2012. The total liability of the service tax for the said period stood to ₹ 15,943,004/-, payable in two equal installments on or before 31st Dec, 2013 and 30th June, 2014 respectively. The company has paid ₹ 7,972,657/- till date and the balance is due to be paid within 30th June, 2014.
- Apart from the afore-mentioned amount due under VCES, 2013, the balance amount of Service Tax which is due to be paid in the current Financial Year is ₹ 6,109,751/-
- An amount of ₹ 1,401,229/- has been shown as Service Tax accrued but not due for payment. This amount comprises of the tax accrued on or before 1st July, 2011, which is to be paid on receipt basis, but not paid till date as no payment has been recovered from the debtors against the same since F.Y. 2010-11.

Note 25.12: Prior period items

An amount of ₹ 2,197,861/- against the BG Commission, pertaining to the prior period has been included in the Finance Costs.

Note 25.13: Dilution of holding:

During the current financial year, the shareholding of the company has diluted in some of the subsidiaries, the details of which is as follows:

a. Orion Abasaan Private Limited:	Shareholding reduced from 96.67% to 72.50%
b. Kaushalya Township Private Limited:	Shareholding reduced from 99.01% to 73.49%
c. Kaushalya Nirman Private Limited:	Shareholding reduced from 97.87% to 68.66%

Note 25.14: Fixed Deposits:

All the fixed deposits have been made against the Bank Guarantee and under lien with the corresponding bank.

Notes forming part of the financial statements

Note 25.15: Interest on credit cards:

The company has paid huge amount of interest (to the tune of ₹ 454,155/-) on delayed payment of credit cards of the directors.

26 : During the year borrowing cost is not capitalized.

27: Related Parties*, Related Party Transactions and Balances receivable/payable as at the end of the year

I. Parties Where Control Exists

Subsidiaries

- 1 Bengal Kaushalya Nirman Ltd.
- 2 Bengal KDC Housing Development Ltd.
- 3 Kaushalya Energy (P) Ltd.
- 4 Kaushalya Nirman (P) Ltd.
- 5 Kaushalya Township (P) Ltd.
- 6 Orion Abasaan (P) Ltd.

Step Down Subsidiaries

- 7 Azur Solar KDC (P) Ltd.

II. Joint Ventures

Jointly Controlled Entities

- 1 New Asian Construction Co.

III. Key Management Personnel :

- 1 Mr. Prashant Mehra, Managing Director
- 2 Mr. Ramesh Mehra, Director
- 3 Mr. Mahesh Mehra, Whole-time Director
- 4 Mr. Parag Keshar Bhattacharjee, Independent Director
- 5 Mr. Rajesh Kumar Agarwal, Independent Director
- 6 Mr. Saktipada Banerjee, Independent Director

IV Other Related Parties with whom the company had transactions during the year

a) Relatives of Key Management Personnel :

1. Mr. Kartik Mehra
2. Mr. Karan Mehra
3. Mrs. Neeru Mehra

b) Associates Company:

- 1 Keleenworth Marketing Pvt. Ltd.
- 2 Mahanti Engineers Pvt. Ltd.
- 3 Sunkissed Merchandise Pvt. Ltd.

Notes forming part of the financial statements

V. Transactions with Related Parties

(Amount in ₹)

Sl. No.	Type of Transactions	2013-14			2012-13		
		Subsidiaries JV	Key Mgt Personnel	Relatives/ Others	Subsidiaries JV	Key Mgt Personnel	Relatives Of Others
(a)	Valued of Services Received	-	2,538,000	960,000	-	2,368,500	960,000
(b)	Rent Paid	-	-	600,000	-	-	600,000
(c)	Money Recd. Agst Warrants	-	265,000	455,000	-	500,000	500,000
				(Relatives)			(Relatives)
				41,185,000			6,605,000
				(Others)			(Others)
(d)	Advances Given (Net)	8,816,931	-	-	17,929,593	-	-
(e)	Balance Receivable as at 31.03.2014	517,833,183	-	-	509,916,252	-	-
(f)	Balance Payable as at 31.03.2014	9,826,377	-	-	9,662,596	-	-

*Note: Related parties have been identified by the management.

Note 28: Earning Per Shares

Year Ended 31.03.2014

(Amount in ₹)

	Continuing Operations				Discontinuing Operations				Total Operations			
	Before Extraordinary and Exceptional Items		After Extraordinary and Exceptional Items		Before Extraordinary and Exceptional Items		After Extraordinary and Exceptional Items		Before Extraordinary and Exceptional Items		After Extraordinary and Exceptional Items	
	Basic	Diluted	Basic	Diluted	Basic	Diluted	Basic	Diluted	Basic	Diluted	Basic	Diluted
Face Value of Shares	10	10	10	10	10	10	10	10	10	10	10	10
Profit	(139,889,234)	(139,889,234)	(139,889,234)	(139,889,234)	0	0	0	0	(139,889,234)	(139,889,234)	(139,889,234)	(139,889,234)
Weighted Average No. of Shares	34,630,630	35,806,388	34,630,630	35,806,388	34,630,630	35,806,388	34,630,630	35,806,388	34,630,630	35,806,388	34,630,630	35,806,388
EPS (₹)	(4.04)	(3.91)	(4.04)	(3.91)	-	-	-	-	(4.04)	(3.91)	(4.04)	(3.91)

Year Ended 31.03.2013

	Continuing Operations				Discontinuing Operations				Total Operations			
	Before Extraordinary and Exceptional Items		After Extraordinary and Exceptional Items		Before Extraordinary and Exceptional Items		After Extraordinary and Exceptional Items		Before Extraordinary and Exceptional Items		After Extraordinary and Exceptional Items	
	Basic	Diluted	Basic	Diluted	Basic	Diluted	Basic	Diluted	Basic	Diluted	Basic	Diluted
Face Value of Shares	10	10	10	10	10	10	10	10	10	10	10	10
Profit	(20,318,968)	(20,318,968)	(20,318,968)	(20,318,968)	0	0	0	0	(20,318,968)	(20,318,968)	(20,318,968)	(20,318,968)
Weighted Average No. of Shares	19,605,630	28,906,861	19,605,630	28,906,861	19,605,630	28,906,861	19,605,630	28,906,861	19,605,630	28,906,861	19,605,630	28,906,861
EPS (₹)	(1.04)	(0.70)	(1.04)	(0.70)	-	-	-	-	(1.04)	(0.70)	(1.04)	(0.70)

Notes forming part of the financial statements

(Amount in ₹)

Note 29: Deferred Tax Assets/(Liability)

	31.03.2014		31.03.2013	
	Timing Difference		Timing Difference	
On Account of Depreciation				
- Net Block as per I T Act	23,758,665		27,657,302	
- Net Block as per Cos. Act	48,608,302	(24,849,637)	52,185,772	(24,528,470)
On Account of Share Issue Exp.		-		-
On Account of Employee Benefits		841,411		836,411
On Account of Exp. Disallowed u/s 43B		-		-
		(24,008,226)		(23,692,059)
Effective Rate of Tax		30.90%		32.45%
Deferred Tax Asset/(Liability)		(7,418,542)		(7,686,889)
Less : Deferred Tax Liability b/f		(7,686,889)		(7,453,025)
Deferred Tax Provision		(268,347)		233,864

Note 30: Interests in Joint Ventures

(Amount in ₹)

Name of the JV and country of origin	% of Share holding	Amount of interest based on the accounts for the year ended 31st March, 2014					
		Assets	Liabilities	Income	Expenditure	Contingent Liabilities	Capital Commitments
New Asian Construction Co., India	90%	10,595,231	11,474,877	-	270,681	Nil	Nil
(Prev. Year)		(10,872,650)	(11,481,614)	-	(608,964)	Nil	Nil

Note 31 : Details of Provisions

Particulars	For the year ended 31.03.2014		For the year ended 31.03.2013	
	Provision for Current Tax	Deferred Tax Liability	Provision for Current Tax	Deferred tax Liability
Balance at the beginning of the year	63,614,018	7,686,889	63,614,018	7,453,026
Provision made during the year	Nil	(268,347)	Nil	233,863
Paid/Adjusted during the year	Nil	Nil	Nil	Nil
Balance at the end of the year	63,614,018	7,418,542	63,614,018	7,686,889

Note 32 : Other information :

a. Projects in hand:

The company is having three running projects, construction of integrated school and hostel complex for Westing House Saxby Farmer Ltd., contract value ₹ 7.25 crs., Mega Housing project for EWS, LIG & MIG through PPP in Sardarsahar, Rajasthan from Rajasthan Avs Vikas & Infrastructure Ltd. of ₹ 51.66 cr and construction of Swarigarh SHP from Uttarakhand Jal Vidyut Nigam (awarded to KIDCO-NACC consortium) contract value ₹ 14.83 crs. In these projects, revenue to the tune of ₹ 5.30 crs has already been recognized upto the year ending 31.03.2014.

Notes forming part of the financial statements

- b. Work order received from Power Department, Sikkim of ₹ 4,55,20,000/- in the year 2004-05. The company has completed the work to the tune of ₹ 2,92,43,450/- but it has not been certified by the said department and subsequently no payment has been released by them against the aforesaid work done. The reason for not receiving the funds as stated by the management is due to non availability of fund under the APDRP scheme (the scheme of the project) in Sikkim.
- c. The Company had filed a claim with their client NPCC Ltd. the client in turn raised the claim to their principal NTPC and entered into arbitration via P.M.A. The arbitration has awarded a claim of ₹ 8,55,23,452/- against a demand of ₹ 77,66,336/- and against this award the principal has appealed before the Secretary of the P.M.A. As per term the claim received by NPCC shall be passed on to the company after deduction of their margins as per MOU.
- d. It is also observed that the company has few debtors under dispute and in case where any order is received against the said claims, the company may prefer further appeal to the higher authority.

Note 33 : Previous Year Figures

The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

In terms of our report attached.

For **Sumanta & Co.**

Firm Regn. No. 322554E

Chartered Accountants

Pradeep Kumar Agarwal

Partner

Membership No. 056521

Place : Kolkata

Date : 30th May, 2014

For and on behalf of the Board of Directors

Tarkeshwar Singh
Company Secretary

Prashant Mehra
Managing Director

Mahesh Mehra
Whole-time Director

Independent Auditors' Report

To the members of
Kaushalya Infrastructure Development Corporation Limited

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Kaushalya Infrastructure Development Corporation Limited (the company) and its subsidiaries and joint ventures (hereinafter together referred to as the consolidated entities), which comprise the consolidated balance sheet as at 31 March 2014, and the consolidated statement of profit and loss and consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India: -

- i. in the case of the Consolidated Balance Sheet, of the state of affairs of the company and its consolidated entities as at 31st March, 2014;
- ii. in the case of the Consolidated Profit and Loss Account, of the consolidated results of operations of the company and its consolidated entities for the year ended on that date; and
- iii. in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of the company and its consolidated entities for the year ended on that date.

Place : Kolkata
Date : The 30th day of May, 2014

For **Sumanta & Co.**
Firm Registration No. 322554E
Chartered Accountants
Pradeep Kumar Agarwal
Partner
ICAI Membership No. 056521

Consolidated Balance Sheet as at 31st March, 2014

PARTICULARS		Note No.	As at 31st March, 2014	(Amount in ₹) As at 31st March, 2013
EQUITY AND LIABILITIES				
(1) Shareholder's Funds				
(a)	Share Capital	3	34,63,06,300	19,60,56,300
(b)	Reserve & Surplus	4	57,77,92,947	70,00,06,297
(c)	Money Received against Share Warrants		-	12,34,95,000
			92,40,99,247	1,01,95,57,597
(2) Non-Current Liabilities				
(a)	Long Term Borrowings	5	10,00,000	10,36,000
(b)	Deferred Tax Liabilities (Net)	31	74,18,543	76,86,890
(c)	Other Long Term Liabilities	6	11,19,19,980	11,04,44,596
(d)	Long Term Provisions	7	8,41,411	8,36,411
			12,11,79,934	12,00,03,897
(3) Current Liabilities				
(a)	Short Term Borrowings	8	55,35,84,075	49,47,56,828
(b)	Trade Payables	9	19,49,42,282	38,62,22,788
(c)	Other Current Liabilities	10	9,08,67,104	7,48,42,691
(d)	Short Term Provisions	11	6,40,85,359	6,39,03,430
			90,34,78,820	1,01,97,25,738
(4) Minority Interest			96,55,138	15,59,193
TOTAL			1,95,84,13,139	2,16,08,46,426
ASSETS				
(1) Non-Current Assets				
(a)	Fixed Assets			
	(i) Tangible Assets	12	56,34,43,432	56,46,66,477
(b)	Non-Current Investments	13	15,05,39,265	15,04,50,265
(c)	Long-Term Loans and Advances	14	27,50,57,091	26,73,80,157
(d)	Other Non Current Assets	15	6,034	12,068
			98,90,45,822	98,25,08,967
(2) Current Assets				
(a)	Inventories	16	1,07,45,745	1,38,19,431
(b)	Trade Receivables	17	76,36,80,548	95,02,45,551
(c)	Cash & Cash Equivalents	18	2,76,40,408	2,90,73,246
(d)	Short Term Loans and Advances	19	16,67,76,250	18,24,46,975
(e)	Other Current Assets	20	5,24,365	27,52,256
			96,93,67,316	1,17,83,37,458
TOTAL			1,95,84,13,139	2,16,08,46,426
See accompanying notes forming part of the financial statements		1-35		

In terms of our report attached.

For **Sumanta & Co.**

Firm Regn. No. 322554E

Chartered Accountants

Pradeep Kumar Agarwal

Partner

Membership No. 056521

Place : Kolkata

Date : 30th May, 2014

Tarkeshwar Singh
Company Secretary

For and on behalf of the Board of Directors

Prashant Mehra
Managing Director

Mahesh Mehra
Whole-time Director

Consolidated Statement of Profit and Loss for the year ended 31 March, 2014

		(Amount in ₹)	
PARTICULARS	Note No.	For the year ended 31st March, 2014	For the year ended 31st March, 2013
1 Revenue from operations (gross)	21	15,80,98,342	26,40,07,296
Less: Service Tax		59,30,597	21,39,007
Revenue from operations (net)		15,21,67,745	26,18,68,289
2 Other income	22	42,87,302	28,60,725
3 Total revenue (1+2)		15,64,55,047	26,47,29,014
4 Expenses			
Cost of Material Consumed	23.a	8,05,47,082	1,64,56,568
Changes in Inventories of finished goods, work-in-progress and stock-in-trade	23.b	-	(1,03,780)
Employee benefits expense	24	71,01,711	73,38,166
Finance costs	25	6,35,95,320	6,88,96,559
Depreciation and amortisation expense	12	37,20,007	40,38,590
Other expenses	26	14,14,19,752	18,79,71,073
Total expenses		29,63,83,871	28,45,97,176
5 Profit / (Loss) before tax (3 - 4)		(13,99,28,824)	(1,98,68,162)
6 Tax expense :			
Current tax expense for current year		-	-
Current tax expense relating to prior years		-	-
Deferred tax	31	(2,68,347)	2,33,864
		(2,68,347)	2,33,864
7 Profit / (Loss) for the year (5 - 6)		(13,96,60,477)	(2,01,02,026)
8 Less: Minority Interest		66,044	(1,673)
9 Profit / (Loss) for the year (7 - 8)		(13,97,26,521)	(2,01,00,353)
9.1 Earnings per share (of ₹ 10/- each) :	30		
(a) Basic		(4.03)	(1.03)
(b) Diluted		(3.90)	(0.70)
See accompanying notes forming part of the financial statements	1-35		

In terms of our report attached.

For **Sumanta & Co.**

Firm Regn. No. 322554E

Chartered Accountants

Pradeep Kumar Agarwal

Partner

Membership No. 056521

Place : Kolkata

Date : 30th May, 2014

For and on behalf of the Board of Directors

Tarkeshwar Singh
Company Secretary

Prashant Mehra
Managing Director

Mahesh Mehra
Whole-time Director

Consolidated Cash Flow Statement for the year ended 31 March, 2014

(Amount in ₹)

PARTICULARS	For the year ended 31st March, 2014	For the year ended 31st March, 2013
A. Cash flow from operating activities		
Net Profit / (Loss) before extraordinary items and tax	(13,99,28,824)	(1,98,68,162)
<i>Adjustments for:</i>		
Depreciation and amortisation	37,20,007	40,38,590
Amortization of Preliminary expenses	6,034	-
Loss/(gains) on Sale of Fixed Assets	-	65,525
Finance costs	6,35,95,320	6,88,96,559
Interest income	(21,52,408)	(18,05,485)
Operating profit / (loss) before working capital changes	(7,47,59,871)	5,13,27,027
<i>Changes in working capital :</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	30,73,686	58,03,263
Trade receivables	18,65,65,003	(22,48,63,235)
Short-term loans and advances	1,61,37,160	20,33,82,835
Long-term loans and advances	23,36,680	(2,31,86,929)
Other current assets	22,27,891	13,94,543
Adjustments for increase / (decrease) in operating liabilities :		
Other long term liabilities	16,18,000	(80,00,000)
Long Term Borrowing	(36,000)	42,576
Long term provisions	5,000	10,000
Trade payables	(19,12,80,506)	9,88,63,709
Other current liabilities	2,67,24,413	(46,94,861)
Short-term provisions	-	-
Cash flow from extraordinary items	-	-
Cash generated from operations	(2,73,88,544)	10,00,78,928
Net income tax (paid) / refunds	(2,84,507)	(53,78,708)
Net cash flow from / (used in) operating activities (A)	(2,76,73,052)	9,47,00,220
B. Cash flow from investing activities		
Capital expenditure on fixed assets	(24,96,962)	(3,05,00,000)
Capital advance	(2,60,53,614)	1,75,09,732
Proceeds from sale of Fixed Assets	-	-
Bank balances not considered as Cash and cash equivalents		
- Placed	-	-
- Matured	(42,13,247)	1,13,60,225
Purchase of long-term investments		
- Others	(89,000)	(12,34,10,000)
Loans & Advances given		
- Subsidiaries & Step down subsidiaries	1,60,40,000	(75,02,000)
- Joint Ventures	(1,42,616)	(1,42,710)
Interest received		
- Others	21,52,408	18,05,485
Cash flow from extraordinary items	-	-
Net cash flow from / (used in) investing activities (B)	(1,48,03,031)	(13,08,79,268)

Consolidated Cash Flow Statement for the year ended 31 March, 2014

(Amount in ₹)

PARTICULARS	For the year ended 31st March, 2014	For the year ended 31st March, 2013
C. Cash flow from financing activities		
Proceeds from issue of share warrants	(12,34,95,000)	2,74,51,250
Share Application Money received/(refunded)	(1,07,00,000)	1,07,00,000
Proceeds from conversion of share warrants into shares	16,77,63,170	-
Share issued to Minority Shareholders	80,29,901	
Net increase/(decrease) in working capital borrowings	5,88,27,247	6,58,81,867
Finance cost	(6,35,95,320)	(6,88,96,559)
Cash flow from extraordinary items	-	-
Net cash flow from/(used in) financing activities (C)	3,68,29,998	3,51,36,558
Net increase/(decrease) in Cash and cash equivalents (A+B+C)	(56,46,084)	(10,42,491)
Cash and cash equivalents at the beginning of the year	1,45,40,174	1,55,82,665
Cash and cash equivalents at the end of the year	88,94,089	1,45,40,174
Reconciliation of Cash and cash equivalents with the Balance Sheet :		
Cash and cash equivalents as per Balance Sheet (Refer Note 18)	2,76,40,406	2,90,73,244
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements		
Deposit pledged with bank as security against borrowings	1,85,82,637	1,43,69,390
IPO refund account	1,63,680	1,63,680
	1,87,46,317	1,45,33,070
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 18	88,94,089	1,45,40,174
Add: Current investments considered as part of Cash and cash equivalents (as defined in AS 3 Cash Flow Statements)	-	-
Cash and cash equivalents at the end of the year *	88,94,089	1,45,40,174
* Comprises:		
(a) Cash on hand	81,55,148	1,10,35,122
(b) Balances with banks		
(i) In current accounts	7,38,941	35,05,051
(ii) In deposit accounts with original maturity of less than 3 months	-	-
	88,94,089	1,45,40,174

Notes:

- (i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.
(ii) These earmarked account balances with banks can be utilised only for the specific identified purposes.

See accompanying notes forming part of the financial statements

In terms of our report attached.

For **Sumanta & Co.**

Firm Regn. No. 322554E

Chartered Accountants

Pradeep Kumar Agarwal

Partner

Membership No. 056521

Place : Kolkata

Date : 30th May, 2014

For and on behalf of the Board of Directors

Tarkeshwar Singh
Company Secretary

Prashant Mehra
Managing Director

Mahesh Mehra
Whole-time Director

Notes forming part of the Consolidated financial statements

Note 1 : CORPORATE INFORMATION

Kaushalya Infrastructure Development Corporation Limited (the company) is a public 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 company is primarily engaged in executing construction contracts relating to infrastructure and real estate developments.

Moreover, it also carries on the business in hotel segment and hotel industry and is also engaged in acquiring and purchasing of land. The company's services are limited to domestic markets only. The consolidated statements have been prepared after consolidating the subsidiaries, step down subsidiaries and Joint Venture undertakings.

Note 2 : SIGNIFICANT ACCOUNTING POLICIES

2.1 Principal of Consolidation

The Consolidated Financial Statements relate to the company and have been accounted for in accordance with Accounting Standard 21 - Consolidated Financial Statements, Accounting Standard 23-Accounting for Investments in Associates in Consolidated Financial Statements and Accounting Standard 27 - Financial Reporting of Interests in Joint Ventures respectively of the Companies Accounting Standards (Rules), 2006 (as amended). The Consolidated Financial Statements are prepared on the following basis :

- i. Subsidiary companies are consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses after eliminating all significant intra-group balances and intra group transactions and also unrealized profit or loss, except where cost cannot be recovered. The results of operations of a subsidiary are included in the consolidated financial statements from the date on which the parent subsidiary relationship came into existence.
- ii. Interests in the assets, liabilities, income and expenses of the Joint Ventures are consolidated using proportionate consolidation method. Intra group balances, transactions and unrealized profit/loss are eliminated to the extent of the Company's proportionate share, except where cost cannot be recovered.
- iii. The difference between the cost to the Group of investment in Subsidiaries and Joint Ventures and the proportionate share in the equity of the investee company as at the date of acquisition of stake is recognized in the consolidated financial statements as Goodwill or Capital Reserve, as the case may be. Goodwill arising on consolidation is tested for impairment annually.

- iv. Minorities' interest in net profits/Loss of consolidated subsidiaries for the year is identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Company. Their share of net assets is identified and presented in the Consolidated Balance Sheet separately. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of the contractual obligation on the minorities, the same is accounted for by the holding company.
- v. Investments in Associates are accounted for using the equity method, under which the investment is initially recorded at cost, identifying any goodwill/capital reserve arising at the time of acquisition. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of the Associate. However, the share of losses is accounted for only to the extent of the cost of investment. Subsequent profits of such Associates are not accounted for unless the accumulated losses (not accounted for by the Group) are recouped. Where the associate prepares and presents consolidated financial statements, such consolidated financial statements of the associate are used for the purpose of equity accounting. In other cases, standalone financial statements of associates are used for the purpose of consolidation.
- vi. As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's standalone financial statements. Differences in accounting policies are disclosed separately.
- vii. The financial statements of the entities used for the purpose of consolidation are drawn up to same reporting date as that of the Company i.e. year ended March 31, 2014.
- viii. As per Accounting Standard 21- Consolidated Financial Statements notified by Companies (Accounting Standards) Rules, 2006 (as amended), only the notes involving items which are material need to be disclosed. Materiality for this purpose is assessed in relation to the information contained in the consolidated financial statements. Further, additional statutory information disclosed in separate financial statements of the subsidiary and/or the parent having no bearing on the true and fair view of the consolidated financial statements is not disclosed in the consolidated financial statements.

Notes forming part of the Consolidated financial statements

The subsidiary companies and joint ventures considered in the consolidated Financial Statements in each of the years are listed below :-

(Amount in ₹)

Name of the company	Country of Incorporation	Relationship	Percentage of Ownership Interest directly and indirectly	
			31st March, 2014	31st March, 2013
Bengal Kaushalya Nirman Ltd.	India	Subsidiary	51%	51%
Bengal KDC Housing Development Ltd.	India	Subsidiary	51%	51%
Kaushalya Energy (P) Ltd.	India	Subsidiary	95.50%	95.50%
Azur Solar KDC Pvt. Ltd.	India	Step down	55% of 99%	55% of 99%
(Subsidiary of Kaushalya Energy (P) Ltd.)		Subsidiary		
Kaushalya Nirman (P) Ltd.	India	Subsidiary	68.66%	97.87%
Kaushalya Township (P) Ltd.	India	Subsidiary	73.49%	99.01%
Orion Abasaan (P) Ltd.	India	Subsidiary	72.50%	96.67%
KIDCo NACC - Consortium	Unincorporated	JV Entity	90%	90%

2.2 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.3 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

2.4 Inventories

The stock of raw materials, stores and spares, other construction materials and fuel are valued at cost under FIFO method or net realizable value whichever is lower.

Work-in-progress is valued at cost.

2.5 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.6 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.7 Depreciation

Depreciation is charged on Straight Line Method at the rates and in the manner prescribed under Schedule XIV to the Companies Act, 1956.

2.8 Revenue recognition

Income from services

Revenues from contracts priced on a time and material basis are recognised when services are rendered and related costs are incurred. Revenues from turnkey contracts, which are generally time bound fixed price contracts, are recognised over the life of the contract using the proportionate completion method, with contract costs determining the degree of completion. Foreseeable losses on such contracts are recognised when probable.

Revenues from maintenance contracts are recognised pro-rata over the period of the contract.

Contract Income

- The company follows the policy of recognizing the 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 in the turnover and deducts the same amount from the uncertified portion of the revenue of the respective financial year.
- It is to be noted that out of the total revenue of ₹ 15,77,35,831/- in the financial year 2013-14, an amount of ₹ 2,75,00,000/- is pending for certification.

Notes forming part of the Consolidated financial statements

Income from Hotel:

Income from hotel is recognized on accrual basis.

2.9 Other income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

2.10 Tangible Fixed Assets

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Exchange differences arising on restatement/settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Fixed assets acquired and put to use for project purpose are capitalised and depreciation thereon is included in the project cost till commissioning of the project. Fixed assets acquired in full or part exchange for another asset are recorded at the fair market value or the net book value of the asset given up, adjusted for any balancing cash consideration. Fair market value is determined either for the assets acquired or asset given up, whichever is more clearly evident. Fixed assets acquired in exchange for securities of the Company are recorded at the fair market value of the assets or the fair market value of the securities issued, whichever is more clearly evident.

- a) Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately in the Balance Sheet.
- b) However, few machines are lying idle, though depreciation has been charged on them in the usual manner.

2.11 Investments

- a) Long-term investments (excluding investment

properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

Investment properties are carried individually at cost less accumulated depreciation and impairment, if any. Investment properties are capitalised and depreciated (where applicable) in accordance with the policy stated for Tangible Fixed Assets. Impairment of investment property is determined in accordance with the policy stated for Impairment of Assets.

b) Investment in Private companies

The company has investment to the tune of ₹ 12,34,10,000/- in the equity shares of few Private companies, by way of conversion of advances into investment, (details of which has been shown in Note 12 under "Trade Investments" in the 'Others' category), which has resulted to a share holding of more than 20% voting power in each of such private companies.

However, the company has confirmed that it does not have the right to exercise any sort of influence in those companies, even if it holds a substantial percentage of voting power.

2.12 Employee Benefits

Employee benefits include provident fund, ESI and gratuity. Contribution to Provident fund, ESI, Medical reimbursement etc. is charged to the Profit and Loss account as incurred.

The provision for gratuity has been made, without any actuarial valuation, and also not paid to any gratuity fund.

2.13 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.

2.14 Segment reporting

The Company is solely engaged in construction contracts for infrastructure development. The other business i.e. hotel is insignificant in terms of risk as well as rewards since it does not constitutes even 1% in terms of revenue, expenses and profit as given in table below.

	Construction		Hotel		Total	
	₹ In Lacs	% of Total	₹ In Lacs	% of Total	₹ In Lacs	%
Revenue	1,577.36	99.28	11.37	0.72	1,588.73	100.00
Expenses	2,915.05	99.74	7.74	0.26	2,922.79	100.00
Profit/(Loss) before Depreciation	(1,337.69)	100.27	3.63	(0.27)	(1,334.06)	100.00

As such there are no separately identifiable primary segments.

Notes forming part of the Consolidated financial statements

In so far as geographical segment is concerned, the company is carrying out its business only in domestic markets. Therefore, there are no separately identifiable geographical segments.

2.15 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extra ordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.16 Taxes on income

"Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognized on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognized for all timing differences.

Current and deferred tax relating to items directly recognized in equity is recognized in equity and not in the Statement of Profit and Loss.

2.17 Joint Venture Operations

The accounts of the Company reflect its share of the Assets, Liabilities, Income and Expenditure of the Joint Venture Operations which are accounted on the basis of

the audited accounts of the Joint Ventures on line-by-line basis with similar items in the Company's accounts to the extent of the participating interest of the Company as per the Joint Venture Agreements.

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 & advances or current liabilities.

2.18 Impairment of Assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

2.19 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

2.20 Service Tax Input Credits

Service tax input credit is accounted for in the books in the period in which the underlying service received.

2.21 Advances to Subsidiaries

The Company has advanced ₹ 517,833,183/- in aggregate to its subsidiaries, out of which advances to the tune of ₹ 516,319,945/- has been made under agreements to purchase land. Amount of ₹ 513,541,675/- had already been utilized by the subsidiaries for the purchase of land. However, transfer of land to the parent company is yet to be made as acquisition of land is under progress.

Notes forming part of the Consolidated financial statements

Note 3 : SHARE CAPITAL

(Amount in ₹)

Particulars	As at 31 March, 2014		As at 31 March, 2013	
	Number of shares	₹	Number of shares	₹
(a) Authorised				
Equity shares of ₹ 10/- each with voting rights	3,50,00,000	35,00,00,000	3,50,00,000	35,00,00,000
	3,50,00,000	35,00,00,000	3,50,00,000	35,00,00,000
(b) Issued				
Equity shares of ₹ 10/- each with voting rights	3,46,30,630	34,63,06,300	1,96,05,630	19,60,56,300
	3,46,30,630	34,63,06,300	1,96,05,630	19,60,56,300
(c) Subscribed and fully paid up				
Equity shares of ₹ 10/- each with voting rights	3,46,30,630	34,63,06,300	1,96,05,630	19,60,56,300
Total	3,46,30,630	34,63,06,300	1,96,05,630	19,60,56,300

Refer Notes (i) to (ii) below

Notes :

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting

Particulars	Opening Balance	Fresh Issue	Other Changes	Closing Balance
Issued, Subscribed and Fully Paid-up				
Equity shares with voting rights				
Year ended 31 March, 2014				
- Number of shares	1,96,05,630	15,025,000	-	3,46,30,630
- Amount (₹)	19,60,56,300	150,250,000	-	34,63,06,300
Year ended 31 March, 2013				
- Number of shares	1,96,05,630	-	-	1,96,05,630
- Amount (₹)	19,60,56,300	-	-	19,60,56,300

(ii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2014		As at 31 March, 2013	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Mahanti Engineers Pvt. Ltd.	50,82,600	14.68	30,82,600	15.72
Sunkissed Merchandise Pvt. Ltd.	50,22,900	14.50	29,62,900	15.11
Keleenworth Marketing Pvt. Ltd.	43,36,350	12.52	23,36,350	11.92
Total	1,44,41,850	41.70	83,81,850	42.75

Notes forming part of the Consolidated financial statements

(Amount in ₹)

Note 4 : RESERVES & SURPLUS

Particulars	As at 31 March, 2014	As at 31 March, 2013
(a) Securities premium account		
Opening balance	48,17,78,795	46,42,65,625
Add : Premium on shares issued during the year	-	-
Less : Utilised during the year for:	-	-
Closing balance	48,17,78,795	46,42,65,625
(b) Revaluation Reserve		
Opening balance	2,39,87,021	2,39,87,021
Add: Addition on revaluations during the year	-	-
Less: Utilised for set off against depreciation	-	-
Closing balance	2,39,87,021	2,39,87,021
(c) General Reserve		
Opening balance	2,45,00,000	2,45,00,000
Add: Transferred from surplus in Statement of Profit and Loss	-	-
Less: Utilised / transferred during the year for:	-	-
Closing balance	2,45,00,000	2,45,00,000
(d) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	18,72,53,651	20,73,54,005
Add: Profit / (Loss) for the year	(13,97,26,520)	(2,01,00,353)
Closing balance	4,75,27,131	18,72,53,651
Total	57,77,92,947	70,00,06,297

Note 5 : LONG TERM BORROWINGS

Particulars	As at 31 March, 2014	As at 31 March, 2013
Unsecured loan		
Jagriti Investment Pvt. Ltd	10,00,000	10,36,000
Total	10,00,000	10,36,000

Note 6 : OTHER LONG TERM LIABILITIES

Particulars	As at 31 March, 2014	As at 31 March, 2013
Advances from Related Parties		
Joint Venture & Associates		
- Joint Venture & Associates	95,19,980	96,62,596
- From Relatives of KMPs	24,00,000	24,07,000
Advance against Land	10,00,00,000	9,83,75,000
Total	11,19,19,980	11,04,44,596

Notes forming part of the Consolidated financial statements

(Amount in ₹)

Note 7 : LONG TERM PROVISIONS

Particulars

Provision for Employee Benefits - Gratuity

Total

As at 31 March, 2014

8,41,411

8,41,411

As at 31 March, 2013

8,36,411

8,36,411

Note 8 : SHORT TERM BORROWINGS

Particulars

Loans repayable on demand

Cash Credit From banks

Secured

(i) State Bank of India

25,69,03,947

22,84,88,152

State Bank of India CC

15,25,40,295

14,94,25,623

State Bank of India FITL

3,53,78,122

1,07,15,529

State Bank of India WCTL

6,89,85,530

6,83,47,000

(Secured by way of hypothecation of stock of raw material, work-in-progress, book debts and personal guarantee of directors and their relatives, collateral security of property of the company and group companies.)

(ii) Indian Overseas Bank

29,66,80,128

26,62,68,676

Indian Overseas Bank CC

17,03,42,544

16,28,72,764

Indian Overseas Bank FITL

4,26,02,584

1,96,60,912

Indian Overseas Bank WCTL

8,37,35,000

8,37,35,000

(Secured by way of hypothecation of stock of raw material, work-in-progress, book debts and personal guarantee of directors and their relatives, collateral security of property of the company and group companies.)

(iii) Other Loans & Advances

-

-

(Secured by way of hypothecation of stock of raw material, work-in-progress, book debts and personal guarantee of directors and their relatives, collateral security of property of the company and group companies.)

Total

55,35,84,075

49,47,56,828

Note 9 : TRADE PAYABLES

Particulars

Acceptances

As at 31 March, 2014

-

As at 31 March, 2013

-

Other than Acceptances

19,49,42,282

38,62,22,788

Total

19,49,42,282

38,62,22,788

Note 10 : OTHER CURRENT LIABILITIES

Particulars

Statutory Remittances

As at 31 March, 2014

1,15,42,993

As at 31 March, 2013

58,16,167

Advances from customers/ contractors

7,68,20,329

5,58,22,742

Share Application Money Due for refund

1,63,680

1,63,680

Payable for Fixed Assets

23,40,102

23,40,102

Share Application Money

-

1,07,00,000

Total

9,08,67,104

7,48,42,691

Note 11 : SHORT TERM PROVISIONS

Particulars

Provision for Income-tax

As at 31 March, 2014

6,36,50,023

As at 31 March, 2013

6,34,68,094

Provision for FBT

4,35,336

4,35,336

6,40,85,359

6,39,03,430

Notes forming part of the Consolidated financial statements

(Amount in ₹)

Note 12 : FIXED ASSETS

Particulars	SLM Rate of Dep	Gross Block				Depreciation				Net Block	
		As at 01.04.2013	Additions	Deductions	Total	Upto 31.03.2013	For the Year	Sales/ Adjustments	Total	As at 31.03.2014	As at 31.03.2013
Land											
Freehold	0.00%	51,10,44,713	24,96,962	-	51,35,41,675	-	-	-	-	51,35,41,675	51,10,44,713
Subsidiaries											
- BKDC		51,10,44,713	24,96,962	-	51,35,41,675	-	-	-	-	51,35,41,675	51,10,44,713
- KNPL		11,55,94,373	4,00,000	-	11,59,94,373	-	-	-	-	11,59,94,373	11,55,94,373
- KTPL		5,31,11,357	-	-	5,31,11,357	-	-	-	-	5,31,11,357	5,31,11,357
- OAPL		27,75,09,529	20,96,962	-	27,96,06,491	-	-	-	-	27,96,06,491	27,75,09,529
		6,48,29,454	-	-	6,48,29,454	-	-	-	-	6,48,29,454	6,48,29,454
Buildings											
Own use		99,93,919	-	-	99,93,919	16,75,016	1,61,152	-	18,36,168	81,57,751	83,18,903
Construction	1.63%	1,07,298	-	-	1,07,298	1,07,298	-	-	1,07,298	-	-
- Site Building	1.63%	1,07,298	-	-	1,07,298	1,07,298	-	-	1,07,298	-	-
Hotel	1.63%	98,86,621	-	-	98,86,621	15,67,718	1,61,152	-	17,28,870	81,57,751	83,18,903
- Building	1.63%	98,86,621	-	-	98,86,621	15,67,718	1,61,152	-	17,28,870	81,57,751	83,18,903
Plant and Equipment											
Owned		6,54,67,460	-	-	6,54,67,460	2,31,16,286	29,64,018	-	2,60,80,304	3,93,87,156	4,23,51,174
Construction		6,46,71,342	-	-	6,46,71,342	2,27,29,865	29,26,202	-	2,56,56,067	3,90,15,275	4,19,41,477
- Plant & Machinery	4.75%	6,16,04,246	-	-	6,16,04,246	1,96,62,769	29,26,202	-	2,25,88,971	3,90,15,275	4,19,41,477
- JCB Excavator	11.31%	30,67,096	-	-	30,67,096	30,67,096	-	-	30,67,096	-	-
Hotel	4.75%	7,96,118	-	-	7,96,118	3,86,421	37,816	-	4,24,237	3,71,881	4,09,697
- Plant & Machinery	4.75%	7,96,118	-	-	7,96,118	3,86,421	37,816	-	4,24,237	3,71,881	4,09,697
Furniture and Fixtures											
Owned		66,35,153	-	-	66,35,153	41,70,032	2,68,232	-	44,38,264	21,96,889	24,65,121
Construction	6.33%	19,85,707	-	-	19,85,707	9,56,578	1,25,695	-	10,82,273	9,03,434	10,29,129
Hotel	9.50%	27,57,046	-	-	27,57,046	27,57,046	-	-	27,57,046	-	-
Subsidiaries	6.33%	18,92,400	-	-	18,92,400	4,56,408	1,42,537	-	5,98,945	12,93,455	14,35,992
Vehicles											
Owned		76,27,741	-	-	76,27,741	71,41,175	3,26,605	-	74,67,780	1,59,961	4,86,566
Construction		76,16,183	-	-	76,16,183	71,30,402	3,25,820	-	74,56,222	1,59,961	4,85,781
- Motor Car	9.50%	34,02,899	-	-	34,02,899	29,38,809	3,23,275	-	32,62,084	1,40,815	4,64,090
- Vehicles	11.31%	41,77,289	-	-	41,77,289	41,77,289	-	-	41,77,289	-	-
- Cycles	7.07%	35,995	-	-	35,995	14,304	2,545	-	16,849	19,146	21,691
Hotel	11.31%	11,558	-	-	11,558	10,773	785	-	11,558	-	785
- Vehicles	11.31%	11,558	-	-	11,558	10,773	785	-	11,558	-	785
Office equipment											
Owned		9,81,084	-	-	9,81,084	9,81,084	-	-	9,81,084	-	-
Construction	16.21%	9,44,534	-	-	9,44,534	9,44,534	-	-	9,44,534	-	-
- Computer	16.21%	9,44,534	-	-	9,44,534	9,44,534	-	-	9,44,534	-	-
Hotel	16.21%	36,550	-	-	36,550	36,550	-	-	36,550	-	-
- Computer	16.21%	36,550	-	-	36,550	36,550	-	-	36,550	-	-
Total (₹)		60,17,50,070	24,96,962	-	60,42,47,032	3,70,83,593	37,20,007	-	4,08,03,600	56,34,43,432	56,46,66,477
Previous Year (₹)		57,12,50,070	3,05,00,000	-	60,17,50,070	3,30,45,003	40,38,590	-	3,70,83,593	56,46,66,477	53,82,05,067

Note 13 : NON CURRENT INVESTMENTS

Particulars	FV	As at 31 March, 2014		As at 31 March, 2013	
		Nos.	₹	Nos.	₹
A. Trade Investments					
(a) Investment in Unquoted, fully paid-up Equity Shares of :					
(i) Others					
Balaji Turnkey Projects Solution (P) Ltd.	10	2,28,600	5,14,35,000	2,28,600	5,14,35,000
Enlightened Projects Ltd.	10	1,95,500	2,93,25,000	1,95,500	2,93,25,000
Orkay Engineering Ltd.	10	8,53,000	4,26,50,000	8,53,000	4,26,50,000
Flare Realty Engineering (P) Ltd.	10	2,600	26,000	-	-
Flare Realty Engineering (P) Ltd.	10	2,600	26,000	-	-
(Held by Bengal KDC Housing Dev. Ltd.)					
Flare Realty Engineering (P) Ltd.	10	3,700	37,000	-	-
(Held by Kaushalya Township (P) Ltd. Ltd.)					
Total (A)		12,86,000	12,34,99,000	12,77,100	12,34,10,000
(b) Investment Property (Ref. Note 12.a)			2,65,61,000		2,65,61,000
			2,65,61,000		2,65,61,000
B. Other than Trade Investments					
Gold Coins [50 Gms. Each]	10		4,79,265	10	4,79,265
	10		4,79,265	10	4,79,265
Total			15,05,39,265		15,04,50,265
Aggregate value of unquoted Investments			15,05,39,265		15,04,50,265

Notes forming part of the Consolidated financial statements

(Amount in ₹)

Note 14 : LONG TERM LOANS AND ADVANCES

Particulars	As at 31 March, 2014	As at 31 March, 2013
Unsecured and considered good		
Capital Advances	9,49,55,576	6,89,01,962
- Security Deposits & Earnest Money Deposits	11,44,91,435	11,80,65,993
- Mobilization Advances	-	3,00,745
Other Advance	2,75,44,572	2,60,05,949
Advances to related parties		
- Enterprises under significant Influence	3,80,65,508	5,41,05,508
Total	27,50,57,091	26,73,80,157
Note (i) Long Term Loans and Advances includes due from		
Directors	-	-
Other officers of the Company	-	-
Firms in which any director is a partner	-	-
Private companies in which any director is a director*	3,80,65,508	5,41,05,508
Private companies in which any director is a member*	-	-
Total	3,80,65,508	5,41,05,508

* The entire amount is due from subsidiaries companies.

Note 15 : OTHER NON CURRENT ASSETS

Particulars	As at 31 March, 2014	As at 31 March, 2013
Unamortised Expenses		
- Preliminary Expenses	6,034	12,068
	6,034	12,068

Note 16 : INVENTORIES

Particulars	As at 31 March, 2014	As at 31 March, 2013
Raw Materials	66,08,800	90,70,029
Work in Progress		
Construction Work in Progress	41,04,085	41,04,085
Stores & Spares	32,860	6,45,317
	1,07,45,745	1,38,19,431

Note 17 : TRADE RECEIVABLES

Particulars	As at 31 March, 2014	As at 31 March, 2013
Unsecured, considered good		
Overdue for a period exceeding six months	52,05,27,799	72,05,05,498
Other Trade receivables	24,31,52,749	22,97,40,052
	76,36,80,548	95,02,45,551

Notes forming part of the Consolidated financial statements

Note 18 : CASH AND CASH EQUIVALENTS

(Amount in ₹)

Particulars	As at 31 March, 2014	As at 31 March, 2013
(a) Cash on hand (as certified by the management)	81,55,148	1,10,35,122
(b) Balances with banks		
(i) In current accounts	7,38,941	35,05,051
(ii) In earmarked accounts (Refer Note (i) below)		
Balances in Deposit Accounts held as margin money or security against borrowings, guarantees and other commitments (Refer Note (i) below)	1,85,82,637	1,43,69,390
Share application money received for allotment of securities and due for refund	1,63,680	1,63,680
	2,76,40,406	2,90,73,244
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is	88,94,089	1,45,40,174

Notes:

- (i) Includes deposits amounting to ₹ 17,941,708/- (As at 31 March, 2013 ₹ 14,367,250/-) which have an original maturity of more than 12 months.

Note 19 : SHORT TERM LOANS AND ADVANCES

Particulars	As at 31 March, 2014	As at 31 March, 2013
Unsecured, considered good		
Advances to Suppliers & Subcontractors	2,65,73,391	5,82,71,648
Advances to Employees	4,37,019	16,05,924
Advance against Expenses	61,76,085	38,03,660
Other Advance	1,90,63,637	26,54,572
Prepaid Expenses (Unsecured, considered good)	4,85,764	25,37,253
Balances with government authorities		
- Income Tax Payments	11,40,40,354	11,35,73,918
Total	16,67,76,250	18,24,46,975

Note 20 : OTHER CURRENT ASSETS

Particulars	As at 31 March, 2014	As at 31 March, 2013
Accruals		
Interest accrued on deposits	5,24,364	27,52,255
Total	5,24,364	27,52,255

Notes forming part of the Consolidated financial statements

(Amount in ₹)

Note 21 : REVENUE FROM OPERATIONS

Particulars	For the year Ended 31st March, 2014	For the year Ended 31st March, 2013
Sale of Services (Gross)		
Contract Receipts	15,77,35,831	26,37,05,308
Other Operating Revenues		
Profit from Hotel (Refer Note 21A)	3,62,511	3,01,988
	15,80,98,342	26,40,07,296
Less: Service Tax	59,30,597	21,39,007
Total	15,21,67,745	26,18,68,289

Note 21A : PROFIT FROM HOTEL BUSINESS

Particulars	For the year Ended 31st March, 2014	For the year Ended 31st March, 2013
REVENUE FROM OPERATIONS		
Food Sale	2,62,187	1,59,533
Room Rent	4,72,194	3,13,000
Service Income	125	390
Cultivation Income	4,02,700	5,99,800
Total (A)	11,37,206	10,72,723
EXPENDITURE		
Raw Food Purchased	1,49,079	1,08,762
Fuel (Cooking)	33,112	21,363
Repairs & Maintenance - Buildings	54,632	99,456
Transport Expenses	810	-
Stores	12,823	15,191
Employee Benefits		
Salary	26,100	28,800
Site Allowance	5,400	7,200
Administrative & Other Expenses		
Bank Charges	550	82
Books & Periodicals	1,683	1,524
Electricity Charges	88,300	92,679
Cultivation Expenses	2,03,450	2,52,210
General Expenses	18,396	15,720
Gardening Expenses	27,734	20,490
Medical Expenses	250	-
Labour Charges incl. Allowances	76,050	57,240
Laundry Expenses	5,056	3,528
Legal & Professional Charges	9,000	-
Postage/Fax/Courier	120	230

Notes forming part of the Consolidated financial statements

Note 21A : PROFIT FROM HOTEL BUSINESS (Contd.)

(Amount in ₹)

Particulars	For the year Ended 31st March, 2014	For the year Ended 31st March, 2013
Printing & Stationery	-	680
Rates & Taxes	3,200	7,894
Security Expenses	49,000	32,880
Subscription	7,204	3,851
Telephone Expenses	-	-
Travelling & Conveyance	2,746	955
Total (B)	7,74,695	7,70,735
Profit/(Loss) before Depreciation (A-B)	3,62,511	3,01,988

Note 22 : OTHER INCOME

Particulars	For the year Ended 31st March, 2014	For the year Ended 31st March, 2013
Interest Income		
- Interest from Bank on Deposits	21,52,408	18,05,485
Miscellaneous Income	21,34,894	10,55,240
(Net of expenses directly attributable ₹ Nil Prev. Year ₹ Nil)		
Total	42,87,302	28,60,725

Note 23A : COST OF MATERIAL CONSUMED

Particulars	For the year Ended 31st March, 2014	For the year Ended 31st March, 2013
Opening stock	97,15,346	1,56,22,389
Add: Purchases	7,74,73,396	1,05,49,525
	8,71,88,742	2,61,71,914
Less: Closing stock	66,41,660	97,15,346
Cost of material consumed	8,05,47,082	1,64,56,568

Note 23B : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE

Particulars	For the year Ended 31st March, 2014	For the year Ended 31st March, 2013
Inventories at the beginning of the year :		
Work-in-progress	41,04,085	40,00,305
	41,04,085	40,00,305
Less: Inventories at the end of the year:		
Work-in-progress	41,04,085	41,04,085
	41,04,085	41,04,085
Net (increase) / decrease	-	(1,03,780)

Notes forming part of the Consolidated financial statements

(Amount in ₹)

Note 24 : EMPLOYEE BENEFIT EXPENSES

Particulars	For the year Ended 31st March, 2014	For the year Ended 31st March, 2013
Salary, Allowances & Bonus	41,43,371	45,23,653
Directors' Remuneration	25,20,000	23,20,500
Contribution to PF, ESI & Other Funds	50,288	78,185
Staff Welfare	3,83,052	4,05,828
Employee Retirement Benefits	5,000	10,000
	71,01,711	73,38,166

Note 25 : FINANCE COSTS

Particulars	For the year Ended 31st March, 2014	For the year Ended 31st March, 2013
(a) Interest expense on :		
(i) Borrowings	5,75,34,042	6,49,90,112
(ii) Delayed/Deferred payment of taxes	2,53,745	11,77,004
(b) Other borrowing costs	58,07,533	27,29,443
(c) Net (gain)/loss on currency fluctuation	-	-
	6,35,95,320	6,88,96,559

Note 26 : OTHER EXPENSES

Particulars	For the year Ended 31st March, 2014	For the year Ended 31st March, 2013
Contract Operating Expenses		
Consumption of Stores & Spare Parts	19,57,144	9,04,569
Unrecoverable Works Contract	6,57,13,930	-
Subcontractor Charges	-	17,32,63,653
Hire Charges	34,26,065	13,08,370
Labour Charges & Allowances	3,54,81,567	49,07,525
Power & Fuel	3,33,212	3,52,884
Repairs & Maintenance- Machinery	7,13,377	3,82,718
Freight Charges	65,320	1,10,535
Service Tax	65,83,749	-
Works Contract Tax	86,86,814	7,97,177
Survey Charges	29,650	-
	12,29,90,828	18,20,27,431

Notes forming part of the Consolidated financial statements

(Amount in ₹)

Note 26 : OTHER EXPENSES (Contd.)

Particulars	For the year Ended 31st March, 2014	For the year Ended 31st March, 2013
Administrative Expenses		
Rent	12,70,850	12,61,533
Rates & Taxes	5,41,966	4,59,402
Insurance	77,535	37,843
Consultancy & Professional Charges	15,36,418	13,34,549
Directors' Sitting Fee	83,000	1,49,663
Electricity Charges	2,44,871	1,81,836
Post, Telegraph, Telephone & Internet	4,68,550	4,77,789
Travelling & Conveyance	8,35,015	9,52,624
Printing & Stationery	3,22,922	2,61,792
Security Guard Expenses	-	1,88,605
Payment to Auditors		
- As Audit Fees	1,23,596	1,23,596
- As Tax Audit Fees	28,090	28,090
- For Certification	9,552	4,200
Miscellaneous Expenses	2,51,204	2,05,268
Preliminary Expenses W/off	6,034	65,525
	57,99,603	57,32,314
Selling & Distribution Expenses		
Advertisement	1,35,550	1,89,598
Subscription	13,521	21,730
	1,49,071	2,11,328
Other Expenses		
Sundry Debit/ (Credit) Balance W/Off	1,24,80,250	-
	1,24,80,250	-
Total	14,14,19,752	18,79,71,073

Note 27 : ADDITIONAL INFORMATION OF THE FINANCIAL STATEMENTS

27.1: Moneys received against share warrants

The Board of Directors of the Company at their meeting held on 31st August, 2011 and as approved at its Annual General Meeting held on 30th September, 2011 have resolved to create, offer, issue and allot up to 15,025,000 warrants, convertible into 15,025,000 equity shares of ₹ 11/- each on a preferential allotment basis, pursuant to Section 81(1A) of the Companies Act, 1956, at a conversion price of ₹ 11/- per equity share of the Company, arrived at in accordance with the SEBI Guidelines in this regard and subsequently these warrants were allotted on (date) to the promoters and others. It is noted that 100% application money amounting to ₹ 165,275,000/- was received from them before 21.05.2013. The Company converted said warrants into equivalent number of shares on 15.05.2013.

Notes forming part of the Consolidated financial statements

(Amount in ₹)

27.2. Contingent Liabilities and Commitments to the extent not provided for

Sl. No.	Particulars	As on 31.03.2014	As on 31.03.2013
1.	a. Counter guarantees given to Bankers to obtain various Bank Guarantees against which fixed deposit receipts have been pledged by the Company.	56,297,983	31,070,270
	b. Performance Guarantee given on behalf of Joint Venture Entities	Nil	14,812,525
	c. Share of the company in the Contingent Liability of Joint Venture Entities	Nil	Nil
	d. Capital Commitment of the company in Joint Venture Entities	Nil	Nil
	e. Share of the company in the Capital Commitment of the Joint Venture Entities	Nil	Nil
2.	Claims not acknowledged as debts		
	Income Tax Demand (Assessment Year 2004-05)	3,771,602	3,771,602
	Income Tax Demand (Assessment Year 2005-06)	72,381	72,381
	Income Tax Demand (Assessment Year 2006-07)	923,573	923,573
	Income Tax Demand (Assessment Year 2007-08)	4,098,684	4,098,684
	Income Tax Demand (Assessment Year 2010-11)	3,761,030	3,761,030
	Income Tax Demand (Assessment Year 2011-12)	4,165,834	NIL
	Income Tax Demand (Assessment Year 2012-13)	259,290	NIL

27.3 : Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

The Company is in the process of identifying the suppliers, who would be covered under the Micro, Small and Medium Enterprises Development Act, 2006. As confirmed by the management, the company has not yet received any information about such registration from the vendors and such information will be provided as and when confirmation is received from them. However, as regards the same, no documentary evidence has been found during the course of audit.

27.4 : Disclosures as per clause 32 of the listing agreement

(Loans and advances in the nature of loans given to subsidiaries, associates and others and investment in shares of the Company by such parties)

(a) Loans and advances in the nature of advances given to subsidiaries, associates and others

Sl. No.	Name of the Subsidiary	Balance as at 31.03.2014	Maximum Balance 2013-14	Balance as at 31.03.2013	Maximum Balance 2012-13
1	Bengal Kaushalya Nirman Ltd.	38,000	38,000	38,000	38,000
2	Bengal KDC Housing Development Ltd.	119,128,986	131,759,986	131,759,986	131,759,986
3	Kaushalya Energy (P) Ltd.	Nil	3,395,100	4,231,000	4,231,000
4	Kaushalya Nirman (P) Ltd.	58,876,430	67,083,317	67,083,317	67,712,157
5	Azur Solar KDC (P) Ltd.	1,475,238	1,475,238	96,488	96,488
6	Kaushalya Township (P) Ltd.	225,922,822	261,727,246	252,033,999	252,089,999
7	Orion Abasaan (P) Ltd.	112,391,707	113,091,707	54,673,462	54,673,462

(b) Investment in shares of the Company by such subsidiaries, associates and others

Name of the subsidiary	As at 31 March, 2014	As at 31 March, 2013
	Nil	Nil

Notes forming part of the Consolidated financial statements

(Amount in ₹)

27.5 : Disclosure required in terms of Clause 13.5A of Chapter XIII on Guidelines for preferential issues, SEBI

Particulars	During the year Ended 31.03.2014
Total amount received from issue of share warrants	165,275,000
Purpose for which money has been utilized	
(a) Advances to Subsidiaries	105,935,000
(b) Working Capital;	59,340,000
Unutilized money as at 31st March, 2014	NIL

27.6 : Expenditure in Foreign Currency (Gross before TDS) (on accrual basis)

Particulars	For the year Ended 31st March, 2014	For the year Ended 31st March, 2013
Traveling and Conveyance	Nil	Nil
Loss in repayment of Term Loan	Nil	Nil

27.7 : Details of consumption of imported and indigenous items

Particulars	For the year ended 31st March, 2014		For the year ended 31st March, 2013	
	Amount (₹)	%	Amount (₹)	%
Indigenous				
Raw Material	80,547,082	100	16,456,568	100
Components	Nil	Nil	Nil	Nil
Spare Parts	1,957,144	100	904,569	100
Imported				
Raw Material	Nil	Nil	Nil	Nil
Components	Nil	Nil	Nil	Nil
Spare Parts	Nil	Nil	Nil	Nil

27.8 : Earning in foreign exchange (net of TDS) : Nil

27.9 : Amount remitted in foreign currency during the year on account of dividend : Nil

27.10 : Current assets

In the opinion of the Board, the current assets have value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet. However, the following are the areas of concern:

a. Outstanding Sundry debtors

Out of total Sundry Debtors of ₹ 763,680,548/-, an amount of ₹ 670,125,891/- is outstanding since long, and out of which several debtors are under dispute.

b. Sundry Debit/(Credit) Balance W/Off :

The total sundry debit balances, which had been written off during the financial year 2013-14 amounted to ₹ 41,216,937/- out of which, debit balance to the tune of ₹ 28,736,687/- had been netted off with the credit balance of the same amount and the balance had been shown under the head of other expenses as Sundry Debit/(Credit) Balance W/Off, in the statement of Profit and loss.

Notes forming part of the Consolidated financial statements

The major detail of the Sundry Credit Balance Written Off is as follows :

i.	Sundry Creditors	₹ 12,538,221/-
ii.	Security Deposit	₹ 14,407,341/-
iii.	Statutory Dues	₹ 628,315/-
iv.	Advance from Parties	₹ 1,045,155/-
v.	Liability for Expenses	₹ 117,655

The major detail of the Sundry Debit Balance Written Off is as follows :

i.	Sundry Debtors	₹ 21,756,728/-
ii.	Advances to Parties	₹ 13,551,095/-
iii.	Security Deposit and Earnest money	₹ 1,310,524/-
iv.	Duties and taxes	₹ 2,597,992/-
v.	Advance to staff	₹ 1,496,271/-
vi.	Retention against penalty	₹ 504,328/-

c. Short-term Advances :

The Company had advanced a net amount of ₹ 19,063,637/- to Flare Realty Engineers Private Limited, which was incorporated as a step-down subsidiary of the company, for meeting its working capital requirements. However, Flare Realty Engineers Private Limited has subsequently raised additional equity from outsiders to finance the project further and hence it ceased to be the subsidiary of the company as on 31st March, 2014.

27.11 : Statutory Compliances

The following areas are of concern:

a. Service Tax Payable : Following information is worth noting in this regard-

- The company opted for the VCES, 2013 for the service tax payable corresponding to the period from April' 2009 to December' 2012. The total liability of the service tax for the said period stood to ₹ 15,943,004/-, payable in two equal installments on or before 31st Dec, 2013 and 30th June, 2014 respectively. The company has paid ₹ 7,972,657/- till date and the balance is due to be paid within 30th June, 2014.
- Apart from the afore-mentioned amount due under VCES, 2013, the balance amount of Service Tax which is due to be paid in the current Financial Year is ₹ 6,109,751/-
- An amount of ₹ 1,401,229/- has been shown as Service Tax accrued but not due for payment. This amount comprises of the tax accrued on or before 1st July, 2011, which is to be paid on receipt basis, but not paid till date as no payment has been recovered from the debtors against the same since F.Y. 2010-11.

Notes forming part of the Consolidated financial statements

27.12 : Prior period items

An amount of ₹ 2,197,861/- against the BG Commission, pertaining to the prior period has been included in the Finance Costs.

27.13 : Dilution of holding

During the current financial year, the shareholding of the company has diluted in some of the subsidiaries, the details of which is as follows :

- a. Orion Abasaan Private Limited : Shareholding reduced from 96.67% to 72.50%
- b. Kaushalya Township Private Limited : Shareholding reduced from 89.43% to 73.49%
- c. Kaushalya Nirman Private Limited : Shareholding reduced from 97.87% to 68.66%

27.14 : Fixed Deposits

All the fixed deposits have been made against the Bank Guarantee and under lien with the corresponding bank.

27.15 : Interest on credit cards

The company has paid huge amount of interest (to the tune of ₹ 454,155/-) on delayed payment of credit cards of the directors.

28 : During the year borrowing cost is not capitalized.

29 : Related Parties, Related Party Transactions and Balances receivable/payable as at the end of the year

I. Subsidiaries

- 1 Bengal Kaushalya Nirman Ltd.
- 2 Bengal KDC Housing Development Ltd.
- 3 Kaushalya Energy (P) Ltd.
- 4 Kaushalya Nirman (P) Ltd.
- 5 Kaushalya Township (P) Ltd.
- 6 Orion Abasaan (P) Ltd.

Step Down Subsidiaries

- 7 Azur Solar KDC (P) Ltd.

II. Joint Ventures

Jointly Controlled Entities

- 1 New Asian Construction Co.

III. Key Management Personnel :

- 1 Mr. Prashant Mehra, Managing Director
- 2 Mr. Ramesh Mehra, Director
- 3 Mr. Mahesh Mehra, Whole-time Director
- 4 Mr. Parag Keshar Bhattacharjee, Independent Director
- 5 Mr. Rajesh Kumar Agarwal, Independent Director
- 6 Mr. Saktipada Banerjee, Independent Director

Notes forming part of the Consolidated financial statements

IV Other Related Parties with whom the company had transactions during the year

a) Relatives of Key Management Personnel :

1. Mr. Kartik Mehra
2. Mr. Karan Mehra
3. Mrs. Neeru Mehra
4. Mr. Pranav Mehra
5. Mrs. Anuradha Mehra
6. Mr. Devraj Seth Mehra
7. Mr. Rahul Mehra
8. Mr. Sambhu Nath Banerjee
9. Mrs. Mohini Mehra
10. Mrs. Pooja Mehra

b) Associates Company :

11. Keleenworth Marketing Pvt. Ltd.
12. Mahanti Engineers Pvt. Ltd.
13. Sunkissed Merchandise Pvt. Ltd.
14. Baijnath Mehra (HUF)
15. Magnum Infracon (P) Ltd.
16. Pushpdanta Vyapar (P) Ltd.

V. Transactions with Related Parties

(Amount in ₹)

Sl. No.	Type of Transactions	2013-14			2012-13		
		KMP	Relatives of KMP	Others Parties	KMP	Relatives of KMP	Other Parties
(a)	Value of Services Received	2,538,000	960,000	-	2,368,500	960,000	-
(b)	Rent Paid	-	600,000	-	-	600,000	-
(c)	Advance Received/(Paid) Net	-	7,000	(16,940,000)	-	-	(2,767,000)
(d)	Year End Balance : Payable/(Receivable)	261,397	-	(33,320,508)	-	7,000	(48,406,000)

*Note: Related parties have been identified by the management.

Notes forming part of the Consolidated financial statements

(Amount in ₹)

Note 30: Earning Per Shares

Year Ended 31.03.2014

	Continuing Operations				Discontinuing Operations				Total Operations			
	Before Extraordinary and Exceptional Items		After Extraordinary and Exceptional Items		Before Extraordinary and Exceptional Items		After Extraordinary and Exceptional Items		Before Extraordinary and Exceptional Items		After Extraordinary and Exceptional Items	
	Basic	Diluted	Basic	Diluted	Basic	Diluted	Basic	Diluted	Basic	Diluted	Basic	Diluted
Face Value of Shares	10	10	10	10	10	10	10	10	10	10	10	10
Profit	(139,660,477)	(139,660,477)	(139,660,477)	(139,660,477)	0	0	0	0	(139,660,477)	(139,660,477)	(139,660,477)	(139,660,477)
Weighted Average No. of Shares	34,630,630	35,806,388	34,630,630	35,806,388	34,630,630	35,806,388	34,630,630	35,806,388	34,630,630	35,806,388	34,630,630	35,806,388
EPS (₹)	(4.03)	(3.90)	(4.03)	(3.90)	-	-	-	-	(4.03)	(3.90)	(4.03)	(3.90)

Year Ended 31.03.2013

	Continuing Operations				Discontinuing Operations				Total Operations			
	Before Extraordinary and Exceptional Items		After Extraordinary and Exceptional Items		Before Extraordinary and Exceptional Items		After Extraordinary and Exceptional Items		Before Extraordinary and Exceptional Items		After Extraordinary and Exceptional Items	
	Basic	Diluted	Basic	Diluted	Basic	Diluted	Basic	Diluted	Basic	Diluted	Basic	Diluted
Face Value of Shares	10	10	10	10	10	10	10	10	10	10	10	10
Profit	(20,102,026)	(20,102,026)	(20,102,026)	(20,102,026)	0	0	0	0	(20,102,026)	(20,102,026)	(20,102,026)	(20,102,026)
Weighted Average No. of Shares	19,605,630	28,906,861	19,605,630	28,906,861	19,605,630	28,906,861	19,605,630	28,906,861	19,605,630	28,906,861	19,605,630	28,906,861
EPS (₹)	(1.03)	(0.70)	(1.03)	(0.70)	-	-	-	-	(1.03)	(0.70)	(1.03)	(0.70)

Note 31: Deferred Tax Assets/(Liability)

	31.03.2014		31.03.2013	
	Timing Difference		Timing Difference	
On Account of Depreciation				
- Net Block as per I T Act	540,138,007		540,138,007	
- Net Block as per Cos. Act	564,666,477	(24,528,470)	564,666,477	(24,528,470)
On Account of Share Issue Exp.		-		-
On Account of Employee Benefits		836,411		836,411
On Account of Exp. Disallowed u/s 43B		-		-
		(23,692,059)		(23,692,059)
Effective Rate of Tax		32.45%		32.45%
Deferred Tax Asset/(Liability)		(7,686,889)		(7,686,889)
Less : Deferred Tax Liability b/f		(7,453,025)		(7,453,025)
Deferred Tax Provision		233,864		233,864

Notes forming part of the Consolidated financial statements

(Amount in ₹)

Note 32 : Interests in Joint Ventures

Name of the JV and country of origin	% of Share holding	Amount of interest based on the accounts for the year ended 31st March, 2014					
		Assets	Liabilities	Income	Expenditure	Contingent Liabilities	Capital Commitments
New Asian Construction Co., India	90%	10,595,231	11,474,877	-	270,681	Nil	Nil
(Prev. Year)		(10,872,650)	(11,481,614)	-	(608,964)	Nil	Nil

Note 33 : Details of Provisions

Particulars	For the year ended 31.03.2014		For the year ended 31.03.2013	
	Provision for Current Tax	Deferred Tax Liability	Provision for Current Tax	Deferred tax Liability
Balance at the beginning of the year	63,468,094	7,686,889	63,468,094	7,453,026
Provision made during the year	Nil	(268,346)	Nil	233,863
Paid/Adjusted during the year	Nil	Nil	Nil	Nil
Balance at the end of the year	63,468,094	7,418,543	63,468,094	7,686,889

Note 34 : Other information :

- Projects in hand : The company is having three running projects, construction of integrated school and hostel complex for Westing House Saxby Farmer Ltd., contract value ₹ 7.25 crs., Mega Housing project for EWS, LIG & MIG through PPP in Sardarsahar, Rajasthan from Rajasthan Avs Vikas & Infrastructure Ltd. of ₹ 51.66 cr and construction of Swarigarh SHP from Uttarakhand Jal Vidyut Nigam (awarded to KIDCO-NACC consortium) contract value ₹ 14.83 crs. In these projects, revenue to the tune of ₹ 5.30 crs has already been recognized upto the year ending 31.03.2014.
- Work order received from Power Department, Sikkim of ₹ 4,55,20,000/- in the year 2004-05. The company has completed the work to the tune of ₹ 2,92,43,450/- but it has not been certified by the said department and subsequently no payment has been released by them against the aforesaid work done. The reason for not receiving the funds as stated by the management is due to non availability of fund under the APDRP scheme (the scheme of the project) in Sikkim.
- The Company had filed a claim with their client NPCC Ltd. the client in turn raised the claim to their principal NTPC and entered into arbitration via P.M.A. The arbitration has awarded a claim of ₹ 8,55,23,452/- against a demand of ₹ 77,66,336/- and against this award the principal has appealed before the Secretary of the P.M.A. As per term the claim received by NPCC shall be passed on to the company after deduction of their margins as per MOU.
- It is also observed that the company has few debtors under dispute and in case where any order is received against the said claims, the company may prefer further appeal to the higher authority.
- Allotment of Shares : The equity shares have been allotted in Kaushalya Township (P) Ltd., Kaushalya Nirman (P) Ltd. And Orion Abasaan (P) Ltd. at a premium of ₹ 90 per share, which is more than the book value of each share. The Company has, however, provided the Valuation Certificate of a portion of Land done in the financial year 2009-10 to justify the said action on the basis of the increase in the book value of the land.

Note 35 : Previous Year Figures

The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

In terms of our report attached.

For **Sumanta & Co.**

Firm Regn. No. 322554E

Chartered Accountants

Pradeep Kumar Agarwal

Partner

Membership No. 056521

Place : Kolkata

Date : 30th May, 2014

For and on behalf of the Board of Directors

Tarkeshwar Singh
Company Secretary

Prashant Mehra
Managing Director

Mahesh Mehra
Whole-time Director

KAUSHALYA INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED

CIN- L51216WB1992PLC055629

Registered Office : HB-170, Sector-III, Salt Lake, Kolkata -700106

ATTENDANCE SLIP

22nd Annual General Meeting, Tuesday, September 30, 2014 at 11.00 a.m.

D.P.ID*		L.F.No.	
Client ID*		No. of Shares held	

I/ We hereby record my/our presence at the Annual General meeting of the Company being held on Tuesday, the 30th September, 2014 at 11.00 A.M.at Aikatan, Eastern Zonal Cultural Centre, IA 290, Sector-III Salt Lake, Kolkata - 700097.

Signature of Shareholder(s)

1.

2.

3.

Signature of the Proxy holder

*Applicable for investors holding shares in electronic form.

Note : Shareholders attending the meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting venue.

PROXY FORM

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L51216WB1992PLC055629

Name of the Company : KAUSHALYA INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED

Registered Office : HB-170, Sector-III, Salt Lake, Kolkata -700106

Name of the member(s)	
Registered Address	
Email ID	
Folio No./Client ID	
DP ID	

I/We, being the member(s) of shares of the above named company, hereby appoint.

(1) Name Address

E-mail ID Signature or failing him.

(2) Name Address

E-mail ID Signature or failing him.

(3) Name Address

E-mail ID Signature

as my/our proxy to attend and vote (on a poll) for me/ our behalf at the Annual General Meeting of the Company, to be held on Tuesday, the 30th September, 2014 at 11.00 A.M.at Aikatan, Eastern Zonal Cultural Centre, IA 290, Sector-III Salt Lake, Kolkata - 700097 and at any adjournment thereof in respect of such resolutions as are indicated below :

RESOLUTIONS		Optional*	
	ORDINARY BUSINESS	For	Against
1.	Ordinary Resolution to consider and adopt Audited Financial Statements, Reports Reports of the of the Board of Directors and Auditors		
2.	Ordinary Resolution to appoint a director in place of Mr. Mahesh Mehra, who retires by rotation and being eligible, seeks re-appointment.		
3.	Ordinary Resolution to appoint M/s. Sumanta & Co. as Auditors.		

RESOLUTIONS		Optional*	
	SPECIAL BUSINESS	For	Against
4.	Ordinary Resolution to appoint Mr. Parag Keshar Bhattacharjee as Independent Director for term of 5 years.		
5.	Ordinary Resolution to appoint Mr. Rajesh Kumar Agarwal as Independent Director for term of 5 years.		
6.	Special Resolution to re-appoint Mr. Prashant Mehra as Managing Director for term of 3 years.		
7.	Special Resolution to increase in borrowing limit of the Company.		
8.	Special Resolution for Transactions with Related Party u/s 188 of the Companies Act, 2013.		

Signed this day of 2014

Signature of Shareholder :

Signature of Proxy holder(s) :

Affix
Revenue
Stamp

Notes :

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A Proxy need not be a member of the Company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

ELECTRONIC VOTING PARTICULARS *

EVSN	USER ID	PASSWORD
140823037	16 digit Demat Account/Folio No. of members holding shares in physical mode	Original PAN as per note no. 14 of the Notice part

* Please read instructions given at note no. 14 of the Notice part of the 22nd Annual General Meeting before voting electronically.



If undelivered Please Return to :
Kaushalya Infrastructure Development Corporation Ltd.
HB 170, Sector III, Salt Lake
Kolkata - 700106