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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 25th June, 2014)

Mrs. Minoti Nath
Woman Independent Director (w.e.f. 13th Nov. 2014)

Mr. Tarak Nath Mishra
Chief Financial Officer

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: 91-33-228006692/93/94/2486
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
E-mail : sumanta_co.@yahoo.com

BANKERS

State Bank of India
Indian Overseas Bank

REGISTERED OFFICE

CIN : L51216WB1992PLC055629
HB 170, Sector III
Salt Lake, Kolkata - 700 106
Tel : 91-33-2334 4148
Fax : 91-33-2334 4148
Website : www.kaushalya.net
Email : info@kaushalya.net



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

Notice

Notice is hereby given that the Twenty Third (23rd) Annual General Meeting (AGM) of the Members of **KAUSHALYA INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED** will be held on Tuesday, the 29th day of September 2015 at 11:00 A.M. at Agora, 5th Floor Axis Mall, Unit-A(Block-B) Plot No. CF9, Major Arterial Rd, Action Area 1C, Newtown, Kolkata-700156 to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the financial statements (including Consolidated Financial Statements) of the Company for the year ended 31st March, 2015, including the audited Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss and cash flow statement for the year ended on that date together with the report of Board of Directors and Auditor's Report thereon.
2. To consider and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT Mr. Ramesh Kumar Mehra (DIN-00086598), a Director liable to retire by rotation does not seek re-appointment and is therefore not re-appointment as Director of the Company.
"RESOLVED FURTHER THAT the vacancy on the Board of Directors of the Company so created be not to filled up".
3. To ratify the appointment of Auditor and to authorise the Board of Directors to fix their remuneration and in connection therewith to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :
"RESOLVED THAT pursuant to the provision of Section 139, 149 & other applicable provision, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time and resolution passed by the Members at the Annual General Meeting (AGM) held on 30.09.2014, the appointment of M/s. Sumanta & Co., Chartered Accountants, Kolkata (Firm Registration No. 322554E) as Auditor of the Company to hold office until the conclusion of the 25th AGM of the Company be and is hereby rectified on such remuneration as may be determined by the Board of Directors of the Company".

SPECIAL BUSINESS

4. Appointment of Mrs. Minoti Nath 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 Mrs Minoti Nath, (holding DIN: 07017530), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 13th November, 2014 under Section 161(1) of the Companies Act, 2013, read with Article 116 of the Articles of Association of the Company and who holds office up to the date of ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature

for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, to hold office for five consecutive years upto 13th November, 2019."

5. To consider and accord new Article of Association.
 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 Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), consent of the Company be and is hereby accorded to substitute the existing Articles of Association of the Company by a new set of Articles of Association".
"RESOLVED FURTHER THAT any one of the Directors of the Company and/or Mr. Tarkeshwar Singh, Company Secretary be and are hereby jointly and severally authorized to do all such acts, deeds and things as may be necessary to give effect to this resolution".
6. To mortgage undertaking of Company under section 180(1)(a) of 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 consent of the Company be and is hereby accorded under Section 180(1) (a) and other applicable provisions if any, of the Companies Act, 2013 to the Board of Directors of the Company to mortgage, hypothecate or in any other way of charge in favour of the lenders all or any of the movable and/or immovable properties of the Company, both present and/or future of the whole or substantially the whole of the undertaking or undertakings of the Company for availment of any loan or guarantee or issue of Debenture and to secure the payment of interest thereon or any fees charges or expenses relating thereto and in the case of borrowing against debenture holders the said security in the favour of lender and/or trustee for such debenture holder where required on such terms and conditions as may be approved by the Board of Directors".
"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts, deeds and things in connection therewith and incidental thereto as the Board of Directors in its absolute discretion may deem fit, to give effect to this resolution".

By Order of the Board

Kaushalya Infrastructure Development Corporation Ltd

Place : Kolkata
 Dated : August 13, 2015

Tarkeshwar Singh
 Company Secretary

Notice (Contd.)

Notes

1. **A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself and the proxy need not be a member of the Company. The proxy form, in order to be effective, must be duly completed, stamped and lodged with the Registered Office of the Company not less than 48 hours before the commencement of the meeting.**

A person can act, as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent 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 member.

2. The Register of Members and Share Transfer Books of the Company will remain closed from 25th September, 2015 to 29th September, 2015 (both days inclusive).
3. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in relation to the Special Business is annexed hereto and forms part of this Notice.
4. 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.
5. Corporate members are requested to send a duly certified copy of the Board Resolution under section 113 of Companies Act, 2013, authorizing their representative to attend and vote at the AGM.
6. 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.
7. 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 be downloaded from the Company's website: www.kaushalya.net under the section 'Investor Relationship'.
8. Electronic copy of the Notice of the 23rd Annual General Meeting along with the Annual Report 2014-15 of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Depository Participants(s)/Company for communication purposes unless any member has requested for a hard copy of the same. For

members who have not registered their email address, physical copies of the Notice of the 23rd Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

9. Members may also note that the Notice of 23rd Annual General Meeting and the Annual Report 2014-15 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.
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 except Saturdays.
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.

13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/RTA for registration of transmission/transposition, deletion of name etc.
14. The Directors seeking appointment have furnished the requisite declarations.
15. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
16. In terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Clause 35B of the Listing Agreement, the Company is pleased to provide the facility of remote e-voting to all members,

Notice (Contd.)

for which purpose the Company has engaged the services of National Securities Depository Limited (NSDL).

17. Voting rights will be reckoned on the paid-up value of shares registered in the name of the Members as on 22nd September, 2015 (cut-off date). Only those members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date will be entitled to cast their votes by remote e-voting or ballot voting at the AGM.
18. The facility for voting through ballot paper will also be made available at the AGM and the members attending the AGM who have not cast their vote through remote e-voting shall be able to exercise their right at the AGM through ballot paper. The members who have already cast their vote through remote e-voting can attend AGM but shall not be entitled to cast their votes again.
19. E-voting Process:
 - I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
 - II. The facility for voting through ballot paper/ Polling paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
 - III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
 - IV. The remote e-voting period commences on 26th September, 2015 (9:00 am) and ends on 28th September, 2015 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22nd September, 2015, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting

thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

- V. The process and manner for remote e-voting are as under:
 - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/ Depository Participants(s)] :
 - (i) Open email and open PDF file viz; **"Kaushalya Infrastructure Development remote e-voting. pdf"** with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder - Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the Password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select "EVEN" of "Kaushalya Infrastructure Development Corporation Limited".
 - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format)



Notice (Contd.)

of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to abhi30390@gmail.com with a copy marked to evoting@nsdl.co.in and info@kaushalya.net.

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

- (i) Initial password is provided as below/at the bottom of the Attendance slip for the AGM

EVEN (Remote e-voting Event**Number** _____**User ID** _____**Password** _____

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) mentioned in A above, to cast vote.

Other Instruction

- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 22nd September, 2015.
- X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 22nd September, 2015, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA at rta@cbmsl.com mentioning his/her Folio No. or DP ID and Client ID.

However, if you are already registered with NSDL for remote e-voting then you can use your existing User ID and Password for casting your vote. If you forgot your password, you can reset your password by using "Forgot

User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

- XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper/polling paper.
- XIII. Mr. Abhishek Kumar Pandey, Practising Company Secretary (Membership No. A33116, C.P No. 12294) who had consented to act as the Scrutiniser, was appointed by the Company as the Scrutiniser to scrutinise the voting process (electronically or otherwise) for the 23rd Annual General Meeting of the Company in a fair and transparent manner and submit a Consolidated Scrutiniser's Report of the total votes cast to the Chairman or a person authorised by him in writing.
- XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper/Polling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XV. The Scrutinizer shall after the conclusion of voting at the annual general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XVI. The Results declared along with the report of the Scrutinizer shall be placed on the website of Company www.kaushalya.net and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to stock exchange where Company's shares are listed.

Notice (Contd.)

EXPLANATORY STATEMENT

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

Item No. 4

Mrs. Minoti Nath (holding DIN: 07017530) was appointed as Additional Director in the capacity of Woman Non-Executive Independent Director with effect from 13th November, 2014 under Section 161(1) of the Companies Act, 2013 read with Article 116 of the Articles of Association of the Company. She holds office up to the date of ensuing Annual General Meeting of the Company and is eligible for re-appointment as Independent Director for five consecutive years upto 13th November, 2019. The Company has received notice under Section 160 of the Companies Act, 2013 proposing his appointment as an Independent Director of the Company. Mrs. Minoti Nath is a director whose period of office is not liable to determination by retirement of directors by rotation under section 159 of the Companies Act, 2013. In the opinion of the Board, she fulfills the conditions specified in the Listing Agreement and Companies Act, 2013 and rules made thereunder for appointment as Independent Director. Copy of the draft letter of appointment setting out the terms and conditions would be available for inspection without any fee at the Registered Office of the Company during normal business hours on any working day.

Details regarding Mrs Minoti Nath and his brief resume are given in the Annexure attached to the Notice. Keeping in view his experience and expertise, the Board of Directors recommends the proposed Ordinary Resolution for approval of the members.

Except Mrs. Minoti Nath, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out in Item No.4.

The Directors recommend the aforesaid Resolution for the approval by the Members as Ordinary Resolution.

Item No. 5

The existing Articles of Association ("AoA") of the Company, based on the Companies Act, 1956 are no longer in conformity with the Companies Act, 2013 ("2013 Act"). With the coming into force of 2013 Act,

several Regulations of AoA require alteration/deletion. Given this position, it is considered expedient to adopt a new set of Articles of Association (primarily based on Table F set out under Schedule I to the Companies Act, 2013) in place of existing AoA, instead of amending it by alteration/ incorporation of provisions of 2013 Act. In terms of Section 14 of 2013 Act, consent of Members by way of a Special Resolution is required for adoption of a new set of Articles of Association. The entire set of proposed new Articles of Association is available on the website of the Company www.kaushalya.net.

The Members of the Company can also obtain a copy of the same from the Company's Registered Office. None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested in the said Resolution.

The Directors recommend the aforesaid Resolution for the approval by the Members as Special Resolution.

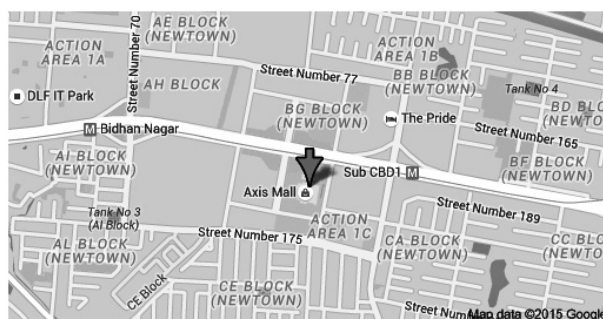
Item No. 6

The company in its Annual General Meeting held on 19th April, 2006 has passed an ordinary resolution under Section 293(1)(a) of the Companies Act, 1956 authorizing the Board of Directors of the Company to mortgage, hypothecate or in any other way charge in favour of the lenders all or any of the movable and/or immovable properties of the company for securing any loan, guarantee or security availed from lenders. Now, a special resolution is required to be passed under Section 180(1)(a) of the Companies Act, 2013 for the aforesaid purpose. Therefore, the approval of shareholders is being sought under Section 180(1)(a) of the Companies Act, 2013 to sell, lease, mortgage, charge, hypothecate or otherwise dispose off the whole or substantially the whole of the undertaking of the company. The Board of Directors therefore recommends the passing of special resolution contained in item No. 6 of the notice.

None of the directors or KMP or their relatives have any concern or interest, financial or otherwise, in the proposed resolution.

The Directors recommend the aforesaid Resolution for the approval by the Members as Special Resolution.

Route Map to the venue of the 23rd AGM of Kaushalya Infrastructure Development Corporation Limited





Notice (Contd.)

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

Particulars	Mrs. Minoti Nath
Date of Birth	July 28, 1956
Date of Appointment	November 13, 2014
Educational Qualification	Bachelor of Arts
Expertise in specific functional areas	Expertise in Management and Operation of diverse nature of business. She runs her own boutique business.
Directorship in other Companies as on March 31, 2015	None
Membership/Chairmanship in other Public Companies (only in Audit and Stakeholders Relationship Committee) as on March 31, 2015	NIL
Number of shares held as on March 31, 2015	NIL
Inter se relation between Directors'	Not related

Directors' Report

Dear Shareholders,

The Directors are pleased to present the 23rd Annual Report and the Audited Accounts for the financial year ended March 31, 2015.

FINANCIAL PERFORMANCE

The Financial performance of your Company, for the year ended March 31, 2015 is summarized below:-

(₹ In Lacs)

Particulars	Standalone				Consolidated			
	31.03.15		31.03.14		31.03.15		31.03.14	
Contract Revenue & Other Income		694.88		1616.29		700.14		1623.85
Profit before Depreciation, Interest & Tax		1.35		(731.8)		4.24		(726.13)
Less : Depreciation	88.72		35.77		91.11		37.20	
Interest	<u>657.50</u>	<u>746.22</u>	<u>634.01</u>	<u>669.78</u>	<u>658.87</u>	<u>749.98</u>	<u>635.95</u>	<u>673.15</u>
Profit before Tax		(744.87)		(1401.58)		(745.74)		(1399.29)
Less : Provision for Tax								
Current Tax	-		-		-		-	
Deferred Tax	(17.01)		(2.68)		(17.01)		(2.68)	
Fringe Benefit Tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Income Tax for Earlier Year		(17.01)		(2.68)		(17.01)		(2.34)
Net Profit/(Loss) After Tax		(727.86)		(1398.90)		(728.73)		(1396.60)
Less : Minority Interest		-		-		0.07		0.66
Add: Share of Profit of Associate		-		-		0.03		
Net Profit After Minority Interest		-		-		(728.78)		(1397.27)
Balance b/f from previous year		493.52		1892.41		475.27		1872.54
Balance available for appropriations		493.52		1892.41		475.27		1872.54
APPROPRIATIONS								
Transfer to General Reserve		-		-		-		-
Balance Carried to Balance Sheet		(234.34)		493.52		(253.50)		475.27

STATE OF AFFAIR & OPERATIONS REVIEW

During the year under review on a Standalone basis your Company has registered total income from operation of ₹ 694.88 Lacs as against ₹ 1616.29 Lacs in the previous year. Reduction in top line was due to delay in decisions from various clients for tenders submitted by Company and lower success rates in bids for infrastructure projects made in a significantly reduction in overall realization of Company. The profit before Depreciation, interest and tax for the year stood to ₹ 1.35 Lacs as compared to ₹ (731.80) Lacs in previous year. The PAT was ₹ (727.86) Lacs against the financial year PAT ₹ (1398.90). The loss figure occurred during current period is mainly due to write off various debtors and depreciation figure as the company has reassessed the useful life of all the tangible fixed assets based on useful life as provided in the schedule II of Companies Act, 2013. Depreciation has been provided considering the remaining useful life of the assets and necessary effect has been given in the accounts.

On Consolidated basis, during the year under review the Total Income of your company stood to ₹ 700.14 Lacs as against ₹ 1623.85 Lacs in the previous year. The EBIDT is ₹ 4.24 Lacs from ₹ (726.13) Lacs in the previous year.

DIVIDEND

Your Directors do not recommend payment of dividend for the year under review on equity shares in view of the loss incurred.

CHANGE IN NATURE OF BUSINESS, IF ANY

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

Directors' Report (Contd.)

MATERIAL CHANGES AND COMMITMENTS AFTER THE BALANCE SHEET DATE

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

SUBSIDIARY COMPANIES & ASSOCIATE COMPANIES

As on 31st March 2015, the Company's subsidiaries, step down subsidiaries, associates and joint venture are as follows:

Its subsidiaries/step-subsidiaries

1. Bengal KDC Housing Dev. Ltd
2. Bengal Kaushalya Nirman Ltd
3. Kaushalya Township Pvt Ltd (Step down Subsidiary)
4. Kaushalya Energy Pvt Ltd
5. Azur Solar KDC Pvt Ltd (Step down Subsidiary)

Its associate

1. Orion Abasaan Pvt Ltd
2. Kaushalya Nirman Pvt Ltd

Its joint venture

1. Kidco-Nacc

During the year KaushalyaNirman Private Ltd, Orion Abasaan Private Ltd and Kaushalya Township Private Ltd had approached to your Company for consent to raise Equity Capital from investor to further their projects which may result in your Company shareholding to become less than 50%. After due consideration and to unlock value in the projects of the Subsidiaries (not following within the definition of material subsidiary as per clause 49(III) (V) of Listing Agreement) and enable them to raise funds the Board of Directors of your Company gave their due consent. Your Company shareholdings as on 31st March, 2015 in above said Companies (previous year subsidiary Companies) after their private placement and preferential issue are as follows :-

Sl. No	Name of Company	Total No. of Share Held	% Age of Shareholding
1	Kaushalya Nirman Private Ltd	46,000	46.00
2	Orion Abasaan Private Ltd	29,000	48.33
3	Kaushalya Township Private Ltd	3,17,357	48.69

However Bengal KDC Housing Development Ltd holds 34,000(5.22%) in Kaushalya Township Private Ltd, hence Kaushalya Township Private Ltd is step down subsidiary of your Company.

A Policy has been formulated for determining the Material Subsidiaries of the Company pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges. The said Policy has been posted on the Company's website at theweblink: <http://www.kaushalya.net/KIDCOMATERIAL.pdf>

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

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with Section 129(3) of the Companies Act, 2013, the Company has prepared Consolidated Financial Statements of the Company and of all its subsidiary and associate companies, which is forming part of the Annual Report. As per the provisions of Section 136 of the Companies Act, 2013, separate audited financial statements of its subsidiaries are being placed on its website www.kaushalya.net and copy of separate audited financial statements of its subsidiaries will be provided to the shareholders on request.

LISTING OF EQUITY SHARES

Your Company's Equity Shares are listed on the BSE Ltd and National Stock Exchange of India Ltd. The Company paid the annual listing fees to each of these stock exchanges.

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 3,50,00,000 Equity Shares of ₹ 10/- each.

During the year under review, your Company's paid up equity share capital remain unchanged changed ₹ 34,63,06,300 (Rupees Thirty Four Crores Sixty Three Lacs Six Thousand) comprising of 3,46,30,630 Equity Shares of ₹ 10/- each.

Directors' Report (Contd.)

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND.

During the year your Company has transferred amount of ₹ 163,680/- Share Application Money due for refund to Investor Education and Protection fund as per provision of section 125 of Companies Act, 1956. There has been no delay in transferring amounts to Investor Education and Protection fund by the Company.

EMPLOYEE STOCK OPTION SCHEME

Your Company has not come out with Employee Stock Option Scheme during the year.

DIRECTOR

Mr. Ramesh Kumar Mehra (DIN: 00086598), Director retire by rotation at the forthcoming Annual General Meeting of the Company and not to fill the vacancy. He does not seek re-appointment and therefore not re-appoint him as a Director of a Company.

Mrs. Minoti Nath (DIN: 07017530) was appointed as Additional Director of the Company in the category of Independent Director by the Board in its meeting held on 13th November, 2014. She shall hold office up to the date of ensuing Annual General Meeting of the Company and will be eligible for reappointment as Independent Director. The Company has received a notice from a member pursuant to Section 160 of the Companies Act, 2013 stating intent to propose him for the office of Independent Director under Section 149 of the Companies Act, 2013.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

During the year Mr. Sakti Pada Banerjee resigned and ceased to be an Independent Director of the Company w.e.f. 25th June, 2014 due to health constraints.

The Board has placed on record its appreciation for the outstanding contributions made by Mr. Sakti Pada Banerjee during his respective tenures as director of the Company.

Resolutions seeking approval of the members have been incorporated in the notice of the forthcoming Annual General Meeting. Brief resume/details relating to Directors who are to be appointed/re-appointed are furnished in the Explanatory Statement to the Notice of the ensuing Annual General Meeting as required under the Code of Corporate Governance.

The members in the last AGM approved reappointment of Mr. Prashant Mehra as Managing Director. The members also approved appointment of Mr. Rajesh Kumar Agarwal and Mr. Parag KesharBhattacharjee as Independent Directors.

KEY MANAGERIAL PERSONNEL

In compliance of the provisions of Section 203 of the Companies Act, 2013 the following persons were the key managerial personnel of the Company:

- (a) Mr. Prashant Mehra, Managing Director & Chief Executive Officer
- (b) Mr. T.N Mishra, Chief Financial Officer
- (c) Mr. Tarkeshwar Singh, Company Secretary.

LOAN/ADVANCES

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.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of your Company acknowledges the responsibility for ensuring compliance with the provisions of Section 134(3) (c) read with Section 134(5) of the Companies Act, 2013 and Clause 49(III)(D)(4)(a) of the Listing Agreement with the Stock Exchanges in the preparation of the annual accounts for the year ended 31st March, 2015 and state that :

- I. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures; if any
- II. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profits of the Company for that period;
- III. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and

Directors' Report (Contd.)

- for preventing and detecting fraud and other irregularities;
- IV. The Directors have prepared the annual accounts on a going concern basis;
 - V. The Directors have laid down internal financial controls for the Company and such internal financial controls are adequate and operating effectively; and
 - VI. There is a proper system to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

PARTICULARS OF EMPLOYEES

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

FIXED DEPOSITS

The Company has not accepted any deposit from the public, and as such, there are no outstanding deposits in terms of the Companies (Acceptance of Deposits) Rules, 2014.

NUMBER OF MEETINGS OF THE BOARD

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

AUDIT COMMITTEE

The Audit Committee was constituted by the Company and the details of terms of reference of the Audit Committee, number and dates of meeting held, attendance, among others are given separately in the attached Corporate Governance Report. During the year there were no instances of the Board had not accepting the recommendations of the Audit Committee.

WHISTLEBLOWER POLICY

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

RISK MANAGEMENT POLICY

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

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

NOMINATION & REMUNERATION COMMITTEE

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

STAKEHOLDERS' RELATIONSHIP COMMITTEE

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

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Policy of the Company on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-Section (3) and (4) of Section 178, is attached as 'Annexure-III' to this Report. The remuneration policy is stated in the Corporate Governance Report of this Annual Report.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual evaluation of its own performance of the individual directors as well as the working of its Audit, Nomination & Remuneration and Stakeholders Relationship committees. The manner in which the evaluation has been carried out has been explained in the attached Corporate Governance Report integral part of this Annual Report.

Directors' Report (Contd.)

INTER-CORPORATE LOANS, GUARANTEES AND INVESTMENTS

The provisions of Section 186 of the Companies Act, 2013 in relation to loans or guarantee are not applicable to the Company, being an infrastructure company as defined under Schedule VI to the Act. Details of loans, guarantees and investments covered under the provisions of section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions made by the Company which may have a potential conflict with the interest of the Company at large. All related party transactions were placed before the Audit Committee and also for the Board approval, wherever required. Prior omnibus approval of the Audit Committee is generally obtained for the transactions which are of a foreseen and repetitive nature and these transactions are reviewed by the Audit Committee on quarterly basis. The policy on related party transactions as approved by the Board is uploaded on the Company's website <http://www.kaushalya.net/KIDCORELATED.pdf>.

The details of transactions entered into with related parties are attached as 'Annexure IV' in form AOC-2 that form an integral part of this Report.

EXTRACT OF ANNUAL RETURN

The details forming part of extract of annual return as per Form MGT- 9 is annexed herewith as 'Annexure – V'.

INTERNAL FINANCIAL CONTROL

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

CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements as set out in Clause 49 of the Listing Agreement. The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms an integral part of this Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, is presented in a separate section forming part of this Annual Report.

CEO/CFO CERTIFICATION

As required by Clause 49 of the Listing Agreement, the CEO/ CFO certification has been submitted to the Board and a copy thereof is contained elsewhere in this Annual Report.

SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Company has appointed M/S. Rinku Gupta & Associates, Company Secretaries in Practice, to undertake the secretarial audit of the Company for the financial year 2014-15. The Secretarial Audit Report for the financial year ended 31st March, 2015 is attached as Annexure 'VI' and forms a part of the reports of the Directors. The observation made by the secretarial auditors in their report are self-explanatory and therefore do not call for any further explanations/comments.

AUDITORS & AUDITOR'S REPORT

At the Annual General Meeting held in the year 2014, M/s Sumanta & Co., Chartered Accountants, (ICAI Firm Registration No. 322554E) Statutory Auditors of the Company were re-appointed by the shareholders to hold office as Statutory Auditors from the conclusion of Annual General Meeting held in the year 2014 till the conclusion of Twenty Fifth Annual General Meeting of the Company to be held in the year 2017, subject to ratification of their appointment at every Annual General Meeting.

Under Section 139 of the Companies Act, 2013, the Company is required to place the matter relating to Statutory Auditor's appointment for ratification by members at every Annual General Meeting.

The Company has received a letter from the Statutory Auditors confirming that they are eligible for appointment as Auditors of the Company under Section 139 of the Companies Act, 2013 and meet the criteria for appointment specified in Section 141 of the Companies Act, 2013.

Based on the recommendations by the Audit Committee, the Board of Directors of the Company recommends the ratification of appointment of M/s Sumanta & Co., Chartered Accountants, (ICAI Firm Registration No. 322554E) as Statutory Auditors of the Company by the shareholders at the ensuing Annual General Meeting.



Directors' Report (Contd.)

The observations of the Auditors in their report, read together with the notes on Accounts, are self-explanatory and therefore, in the opinion of the Directors, do not call for any further explanation.

COST AUDITORS

The cost audit u/s 148 of Companies Act, 2013 read with its rule is not applicable for your Company for the financial year ended 31st March, 2015.

CSR COMMITTEE

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

RESTRUCTURING OF DEBTS

The bankers of the company have intimated that the second restructuring process for the loan accounts, meanwhile classified as non-performing, has taken considerable time. The same is under process at their end and the company is following up with the Bankers to expedite the process of second restructuring of its accounts.

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, 2015 and recommended the same for the approval of the Board of Directors.

SEXUAL HARASSMENT POLICY

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

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

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNALS

There are no significant material orders passed by the Regulators / Courts / Tribunals which would impact the going concern status of the Company and its future operations

ANNEXURES FORMING A PART OF THIS REPORT OF THE DIRECTORS

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

Annexure	Particulars
I	Details of Subsidiary, Associate and Joint Venture AOC-1.
II	Particulars of Employees.
III	Policy on selection of directors.
IV	Details of RTP in AOC-2.
V	Extracts of the Annual Return as per Form MGT-9.
VI	Secretarial Audit Report.

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 thank the Central Government, the Government of West Bengal, the financial institutions, its Bankers, shareholders, customers, dealers and other business associates for the support received from them during the year. Your Directors place on record their sincere appreciation for all employees of the Company and for their unstinted commitment and continued contribution to the Company.

For and on behalf of the Board

Kolkata
13th August, 2015
Registered office:
HB-170, Sector-III
Salt Lake-Kolkata-700106
CIN-L51216WB1992PLC055629

Ramesh Kumar Mehra
DIN: 00086598
Chairman

Annexure to Directors' Report

Annexure I to the Directors' report

FORM- AOC 1

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

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

Part "A": Subsidiaries

(Amt in ₹)

Sl. No	1	2	3	4	5
Name of the subsidiary	Bengal KDC Housing Dev Ltd (BKHD)	Bengal Kaushalya Nirman Ltd (BKNL)	Kaushalya Township Pvt Ltd (KTPL)	Kaushalya Energy Pvt Ltd (KEPL)	Azur Solar KDC Pvt Ltd (Subsidiary of KEPL)
Reporting period	31st March, 2015	31st March, 2015	31st March, 2015	31st March, 2015	31st March, 2015
Reporting currency and Exchange rate	INR	INR	INR	INR	INR
Share capital	20,00,000	20,00,000	65,18,570	10,00,000	1,00,000
Reserves & surplus	(9,88,948)	(3,23,691)	3,04,94,054	(8,19,917)	(34,735)
Total assets	11,92,88,832	17,30,983	34,27,38,566	2,31,074	15,63,286
Total Liabilities	11,92,88,832	17,30,983	34,27,38,566	2,31,074	15,63,286
Investments	17,26,000	-	1,37,400	99,000	-
Turnover	2,64,000	25,767	1,94,100	20,000	22,500
Profit before taxation	2,280	6,775	4,941	1,448	3,805
Provision for taxation	-	-	-	-	-
Profit after taxation	2,280	6,775	4,941	1,448	3,805
Proposed Dividend	NIL	NIL	NIL	NIL	NIL
% of shareholding	51.00	51.00	53.90 (48.69 by holding Co. & 5.22 by subsidiary BKHD)	95.50	99.00 (holding by KEPL)

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

- Names of subsidiaries which are yet to commence operations
 - Azur Solar KDC Private Ltd,
 - Bengal Kaushalya Nirman Ltd,
 - Kaushalya Energy Private Ltd.
- Names of subsidiaries which have been liquidated or sold during the year. NONE
- The Reporting date of all subsidiaries is same as that of the Company, that is, 31st March 2015.
- The Company does not have any foreign subsidiary.

In terms of our report attached

For Sumananta & Co
Firm Regn. No. 32254E
Chartered Accountants

Pradeep Kumar Agarwal
Partner
Membership No.056521
May 30, 2015
Place : Kolkata

For and on behalf of Board of Directors

Prashant Mehra
Managing Director

Tarak Nath Mishra
CFO

Mahesh Mehra
Whole-time Director

Tarkeshwar Singh
Company Secretary



Annexure to Directors' Report (Contd.)

Part "B": Associates and Joint Ventures

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

(Amt in ₹)

Name of Associates /Joint Ventures	Orion Abasan Pvt Ltd	Kaushalya Nirman Pvt Ltd	Kidco Nacc
1. Latest audited Balance Sheet Date	31st March, 2015	31st March, 2015	31st March, 2015
2. Shares of Associate/Joint Ventures held by the company on the year end			
-No.	29,000	46,000	NA
-Amount of Investment in Associates/Joint Venture (Amount in ₹)	10,90,000	19,40,000	(94,03,503)
-Extend of Holding %	48.33%	46%	90%
3. Description of how there is significant influence	Based on the percentage of holding over these investees		
4. Reason why the associate/joint venture is not consolidated	NA	NA	NA
5. Networth attributable to Shareholding as per latest audited Balance Sheet	15,94,117	26,94,094	N.A.
6. Profit / Loss for the year			
i. Considered in Consolidation	609	2,065	(1,24,822)
ii. Not considered in Consolidation	651	2,424	(13,869)

1. Names of associates or joint ventures which are yet to commence operations.

None

2. Names of associates or joint ventures which have been liquidated or sold during the year.

None

In terms of our report attached

For and on behalf of Board of Directors

For Sumananta & Co
Firm Regn. No. 322554E
Chartered Accountants

Pradeep KumarAgarwal
Partner
Membership No.056521
Date : May 30, 2015
Place : Kolkata

Prashant Mehra
Managing Director

TarakNath Mishra
CFO

Mahesh Mehra
Whole-time Director

Tarkeshwar Singh
Company Secretary

Annexure to Directors' Report (Contd.)

Annexure II to the Directors' report

Details pertaining to remuneration

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

- (i) The Percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial year 2014-15, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15 and the comparison of remuneration of each Key Managerial Personnel (KMP)

Sl. No.	Name of the Director/ KMP and Designation	Remuneration of Director/ KMP for financial year 2014-15 (₹)	% Increase in remuneration in the financial year 2014-15	Ratio of remuneration of each Director/ to median remuneration of employees	Comparison of the remuneration of the KMP against the performance of the Company
1	Prashant Mehra Managing Director/CEO	15,90,000	15.22%	5.54	Not comparable since Company was in Loss
2	Mahesh Mehra Whole-time Director	11,40,000	Nil	3.97	Not comparable since Company was in Loss
3	TarakNathMisha Chief Financial Officer	4,26,480	17.26%	N.A.	Not comparable since Company was in Loss
4	Tarkeshwar Singh Company Secretary	3,10,683	27.82%	N.A.	Not comparable since Company was in Loss

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

- (ii) The median remuneration of employees of the Company during the financial year was ₹ 23,926/-
- (iii) In the financial year, there was no increase in the median remuneration of employees;
- (iv) There were 21 permanent employees on the rolls of the Company as on March 31, 2015;
- (v) Relationship between average increase in remuneration and Company performance : Not applicable
- (vi) Comparison of the remuneration of the key Managerial Personnel(s) against the performance of the Company:- For the financial year 2014-15 Company was in loss and hence not comparable;
- (vii) (a) Variation in market capitalization of the Company: The market capitalization as on March 31, 2015 was ₹ 24.59 crore (₹ 18.35 crore as on March 31, 2014);
- (b) Price Earnings ratio of the Company was (3.70) as at March 31, 2015 and was (1.31) as at March 31, 2014;
- (c) Percentage increase or decrease in the market quotations of the shares of the Company as compared to the rate at which the Company came out with the last public offer in the year (88.17)%.
- (viii) Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2014-15 was nil whereas the percentile increase in the managerial remuneration for the same financial year was 10.89%; Average percentile increase in the salaries of employees other than managerial personnel was nil since some of the high paid non managerial employees left the company early during the current year.
- (ix) Comparison of the each remuneration of the key managerial person against the performance of the company: Not comparable since the company was in loss during the current year.
- (x) The key parameter for any variable components of remuneration availed by directors: Not Applicable
- (xi) The ratio of the remuneration of the highest paid directors to that of the employees who are not directors but received remuneration in excess of highest paid directors during the year: Not Applicable
- (xii) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

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

Annexure to Directors' Report *(Contd.)*

Annexure III to the

Directors' report

Criteria for selection of Directors and persons in Senior Management

A. Introduction

This Policy sets out general guiding principles defining criteria for selection of directors in the Board and persons in senior management to assist the Board of Directors in performing its duties. However, the Board should act according to its obligations under the specific facts and circumstances it faces. It will ensure constitution of the Board with optimum combination of Executive and Non-executive Directors including Independent Directors which possess diverse experience and expertise in strategic management, governance and provide long term vision and direction to the Company.

B. Selection and Composition of the Board Board Membership Criteria & Diversity

The Board of Directors should be composed of individuals who have demonstrated significant achievements in business, education, the professions and/or public service. They should have requisite intelligence, education and experience to make a significant contribution to the deliberations of the Board of Directors in light of the Company's business. In addition, the membership of the Board of Directors should bring a broad range of experiences to the Board. The Nomination and Remuneration Committee will review, annually, the appropriate skills and characteristics of Board members in the context of the current structure of the Board. This assessment should include issues of diversity, age, business, qualifications, ethics & integrity, willingness to participate in Board matters and other criteria that the Committee and Board find to be relevant at that point of time. A variety and balance of skills, background and experience is desirable. The composition of the Board shall meet the conditions prescribed under the Companies Act, 2013 and Clause 49 of the Listing Agreement. The proposed appointee shall possess the director identification number and meet the criteria as laid down in the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Attributes

The overall ability and experience of individual Board candidates should determine their suitability. The following attributes may be considered as desirable in any candidate for the Board of Directors:

- **Experience** - A Board candidate should have extensive experience in business, administration, profession, governance and/or public service. An ideal Board candidate may have had experience in more than one of these areas.
- **Education** - Ideally, it is desirable that a Board candidate should hold degree from a respected college or university. In some cases, it is further desirable for the candidate also to have earned a masters or acumen in governance & administration. However, these educational criteria are not meant to exclude an exceptional candidate who does not meet these educational criteria.
- **Personal** - The Board candidate should be of the highest moral and ethical character. The candidate should exhibit independence, objectivity and be capable of serving as a representative of the stakeholder.
- **Individual Characteristics** - The Board candidate should have the personal qualities to be able to make a substantial active contribution to Board deliberations. These qualities include intelligence, self-assuredness, high ethical standard, inter-personal skills, independence, judgmental, courage, a willingness to ask the difficult question, communication skills and commitment.
- **Availability** - The Board candidate must be willing to commit, as well as have, sufficient time available to discharge the duties of Board membership. The Board candidate should not have any prohibited interlocking relationships.
- **Compatibility** - The Board candidate should be able to develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Company.
- **Compliance** - The Candidate should meet the compliance requirements prescribed under the Companies Act, 2013, Listing Agreement and other Rules & Regulations or standards set out by the Company. Predominance of Independent Directors Independence promotes integrity, accountability and governance. The Board of Directors shall comprise of requisite number of independent directors as prescribed under the law. Not less than requisite number of directors shall consist of independent

Annexure to Directors' Report (Contd.)

directors who meet the criteria for independence as required under the Companies Act, 2013, Listing Agreement and other prescribed Rules & Regulations applicable to the Company. Besides, the Board will consider all relevant facts and circumstances in making a determination of independence.

- **Selection and Orientation of New Directors**

The Nomination and Remuneration Committee shall identify candidates for the Board and recommend them for appointment by Board and subsequently for approval by the shareholders as prescribed under the law. The Board delegates the screening process to the Nomination and Remuneration Committee with direct input from the Chairman of the Board or Managing Director or any other Committee as may deem appropriate. Management, working in conjunction with the Committee, shall develop an appropriate familiarisation program for new directors that include background briefings, meetings with senior management and visits to Company facilities etc.

- **Assessing Performance of Board and Committees**

The Nomination and Remuneration Committee shall evaluate performance of each director and report annually to the Board on the results of the assessment process. The performance evaluation of Independent directors shall be done by the entire Board of Directors. The Independent directors in their meeting shall review the performance of non-independent directors and the Board as a whole. While assessing the performance, the Board or the Nomination and Remuneration Committee shall take into account attendance of directors in the Board & Committee meetings, performance of the business, accomplishment of long-term strategic objectives & their participation, role & functioning of various committees, compliance and other matter as they may think fit. The purpose of the assessment is to increase the effectiveness of the Board.

C. Selection of Key Managerial Personnel (KMP)

Above criteria shall also apply for selection of Key Managerial Personnel (KMP) excepting those which are not applicable for persons in senior management. Where appointment or performance of any KMP requires specific qualification or degree, the person should also possess that specific qualification or degree. Keeping self-up-to-date for performing duties, on issues and emerging trends is an important part of responsibilities. KMP must take reasonable steps to remain current in professional development, corporate governance and discharging duties & responsibilities. The KMP shall meet the conditions prescribed under the Companies Act, 2013 and other Rules & Regulations as may be applicable.

D. Review

The Nomination & Remuneration Committee may review this Policy periodically and suggest revisions to the Board to ensure the policy serves its purpose and accurately reflects the sense of the Board and the Company.

Kolkata
13th August, 2015
Registered office:
HB-170, Sector-III
Salt Lake-Kolkata-700106
CIN-L51216WB1992PLC055629

Ramesh Kumar Mehra
(DIN: 00086598)
Chairman



Annexure to Directors' Report (Contd.)

Annexure IV to the

Directors' report

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies(Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto :

1. Details of contracts or arrangements or transactions not at arm's length basis:

There were no contracts or arrangements or transactions entered into during the year ended 31st March 2015, which were not at arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis:

There were no material contracts or arrangements or transactions entered into during the year ended 31st March 2015, which were not at arm's length basis.

Note: The definition of material is as per explanation given in Clause 49(VII) of Listing Agreement.

Kolkata
13th August, 2015
Registered office:
HB-170, Sector-III
Salt Lake-Kolkata-700106
CIN-L51216WB1992PLC055629

Ramesh Kumar Mehra
(DIN: 00086598)
Chairman

Annexure to Directors' Report (Contd.)

Annexure V to the Directors' report

Extract of Annual Return

As on the financial year ended on March 31, 2015

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

FORM No. MGT 9

I REGISTRATION & OTHER DETAILS:

1 CIN	L51216WB1992PLC055629
2 Registration Date	04.06.1992
3 Name of the Company	KAUSHALYA INFRASTRUCUTURE DEVELOPMENT CORP. LIMITED
4 Category/Sub-category	Public Company/Company Limited by shares
5 Address of the Registered office & contact details	HB-170, Sector-III, Salt Lake, Kolkata- 700106, Email- info@kaushalya.net, Ph : 033-23344148 Fax : 033-23344148, Website:-www.kaushalya.net
6 Whether listed company	Yes
7 Name, Address & contact details of the Registrar & Transfer Agent, if any	CB Management Servives Private Limited. B-22 Bondel Road, Kolkata- 700019 E-mail : rta@cbmsl.com, Website : www.cbmsl.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name & Description of main products/services	NIC Code of the Product/Services	% to total turnover of the company
1	Construction	9953	99.98
2	Hotel	9963	0.02

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

Sl No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	KAUSHALYA TOWNSHIP PRIVATE LIMITED, 171/1A Rash Behari Avenue, Kolkata- 700019	U70109WB2006PTC111320	SUBSIDIARY	53.90	2(87)(II)
2	KAUSHALYA ENERGY PRIVATE LIMITED 69, Girish Park, North, Kolkata- 700006	U40104WB2008PTC129344	SUBSIDIARY	98.50	2(87)(II)
3	KAUSHALYA NIRMAN PRIVATE LIMITED 69, Girish Park, North, Kolkata- 700006	U70101WB2006PTC111321	ASSOCIATE	46	2(6)



Annexure to Directors' Report (Contd.)

Sl No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
4	BENGAL KAUSHALYA NIRMAN LIMITED 69, Girish Park, North, Kolkata- 700006	U70100WB2006PLC123501	SUBSIDIARY	51	2(87)(II)
5	BENGAL KDC HOUSING DEVELOPMENT LIMITED 171/1A Rash Behari Avenue, Kolkata- 700019	U70100WB2006PLC110153	SUBSIDIARY	51	2(87)(II)
6	AZUR SOLAR KDC PRIVATE LIMITED 69, Girish Park, North, Kolkata- 700006	U31908WB2010PTC148514	SUBSIDIARY	99	2(87)(II)
7	ORION ABASAAN PRIVATE LIMITED 160, Jamunalal Bajaj Street, Kolkata- 700007	U70101WB2006PTC111322	ASSOCIATE	48.33	2(6)

IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year			
	De-mat	Physical	Total	% of Total Shares	De-mat	Physical	Total	% of Total Shares
A. Promoters								
(1) Indian								
a) Individual/HUF	3138780	0	3138780	9.06	3138780	0	3138780	9.06
b) Central Govt.or State Govt.								
c) Bodies Corporates	14666850	0	14666850	42.35	14666850	0	14666850	42.35
d) Bank/FI	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0
SUB TOTAL: (A) (1)	17805630	0	17805630	51.42	17805630	0	17805630	51.42
(2) Foreign								
a) NRI- Individuals	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0
SUB TOTAL (A) (2)	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	17805630	0	17805630	51.42	17805630	0	17805630	51.42
B. PUBLIC SHAREHOLDING								
(1) Institutions								
a) Mutual Funds	0	0	0	0	0	0	0	0
b) Banks/FI	0	0	0	0	0	0	0	0
c) Centralgovt	0	0	0	0	0	0	0	0
d) State Govt.	0	0	0	0	0	0	0	0
e) Venture Capital Fund	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0
g) FIIS	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0

Annexure to Directors' Report (Contd.)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year			
	De-mat	Physical	Total	% of Total Shares	De-mat	Physical	Total	% of Total Shares
i) Others (specify)	0	0	0	0	0	0	0	0
SUB TOTAL (B)(1):	0	0	0	0	0	0	0	0
(2) Non Institutions								
a) Bodies corporates								
i) Indian	7944742	0	7944742	22.94	6791378	0	6791378	19.61
ii) Overseas	0	0	0	0	0	0	0	0
b) Individuals								
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	6895787	414	6895373	19.91	7795729	639	7795090	22.51
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	1723575	0	1723575	4.98	1885234	0	1885234	5.44
c) Others (specify)								
i) NRI	142736	0	142736	0.41	145568	0	145568	0.42
II) CLEARING MEMBER	118160	0	118160	0.34	207091	0	207091	0.6
SUB TOTAL (B)(2):	16825000	414	16824586	48.58	16825000	639	16824361	48.58
Total Public Shareholding (B) = (B)(1)+(B)(2)	16825000	414	16824586	48.58	16825000	639	16824361	48.58
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	34630216	414	34630630	100	34629991	639	34630630	100

(ii) Shareholdings of Promoters

Sl. No.	Category of Shareholders	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Mahanti Engineers Pvt. Ltd	5307600	15.33	3.18	5307600	15.33	3.18	0
2	Keleenworth Marketing Pvt. Ltd	4336350	12.52	0	4336350	12.52	0	0
3	Sunkissed Merchandise Pvt. Ltd.	5022900	14.5	0	5022900	14.50	0	0
4	SidhaNath Mehra	373510	1.08	0	373510	1.08	0	0
5	Mahesh Mehra HUF	35000	0.1	0	35000	0.1	0	0
6	Ramesh Kumar Mehra HUF	838000	2.42	0	838000	2.42	0	0
7	Purnima Mehra	31320	0.09	0	31320	0.09	0	0
8	Anuradha Mehra	97140	0.28	0	97140	0.28	0	0
9	Neeru Mehra	89100	0.26	0	89100	0.26	0	0
10	Ramesh Kumar Mehra	30010	0.09	0.09	30010	0.09	0.09	0
11	Rahul Mehra	18080	0.05	0	18080	0.05	0	0
12	Sidhnath Mehra HUF	44000	0.13	0	44000	0.13	0	0
13	Mohni Mehra	154600	0.45	0	154600	0.45	0	0
14	Karan Mehra	60740	0.18	0	60740	0.18	0	0
15	Prashant Mehra	917760	2.65	0.28	917760	2.65	0.28	0
16	Kartik Mehra	112000	0.32	0	112000	0.32	0	0
17	Pranav Mehra	134410	0.39	0	134410	0.39	0	0
18	Ramesh Kumar Mehra-Karta of Bajinath Mehra (HUF)	72500	0.21	0	72500	0.21	0	0



Annexure to Directors' Report (Contd.)

Sl. No.	Category of Shareholders	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
19	Pooja Mehra	10000	0.03	0	10000	0.03	0	0
20	Mehesh Mehra	48110	0.14	0.14	48110	0.14	0.14	0
21	Raghav Mehra	72500	0.21	0	72500	0.21	0	0
	Total	17805630	51.42	3.68	17805630	51.42	3.68	0

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

Sl. No.	Category of Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	No Change during the year			
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	No Change during the year			
	At the end of the year	No Change during the year			

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

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Tribhuvan Advisory Private Limited				
	At the beginning of the year (01/04/2014)	1500000	4.33	-	-
	Transfer on 11/07/2014	-250000	-0.72	1250000	3.61
	Transfer on 18/07/2014	-200000	-0.58	1050000	3.03
	Transfer on 25/07/2014	-150000	-0.43	900000	2.60
	At the end of the year (31/03/2015)	-	-	900000	2.60
2	Shivgagan Consultancy Private Limited				
	At the beginning of the year (01/04/2014)	1500000	4.33	-	-
	Transfer on 11/07/2014	-48116	-1.39	1018833	2.94
	At the end of the year (31/03/2015)	-	-	1018833	2.94
3.	Indian Infotech and Software Limited				
	At the beginning of the year (01/04/2014)	1500000	4.33	-	-
	Transfer on 11/07/2014 (Seprated from top 10)	-150000	-4.33	0	0
	At the end of the year (31/03/2015)	-	-	0	0
4.	Shiv Om Investment and Consultancy Limited				
	At the beginning of the year (01/04/2014)	150000	4.33	-	-
	Transfer on 30/06/2014 (Seprated from top 10)	-150000	-4.33	0	0

Annexure to Directors' Report (Contd.)

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the end of the year (31/03/2015)	-	-	0	0
5.	Trilok Advisory Private Limited				
	At the beginning of the year (01/04/2014)	1325000	3.83	-	-
	Transfer on 11/07/2014	-168833	-0.49	1156167	3.34
	Transfer on 18/07/2014	-200000	-0.58	956167	2.76
	Transfer on 25/07/2014	-150000	-0.43	806167	2.33
	At the end of the year (31/03/2015)	-	-	806167	2.33
6.	Dhiren Mahendra Shah				
	At the beginning of the year (01/04/2014)	254393	0.73	-	-
	Transfer on 04/04/2014	65214	0.19	319607	0.92
	Transfer on 11/04/2014	53920	0.16	373527	1.08
	Transfer on 18/04/2014	37778	0.11	411305	1.19
	Transfer on 25/04/2014	43780	0.13	455085	1.31
	Transfer on 02/05/2014	40172	0.12	495257	1.43
	Transfer on 16/05/2014	52277	0.15	547534	1.58
	Transfer on 23/05/2014	119014	0.34	666548	1.92
	Transfer on 30/05/2014	3050	0.01	669598	1.93
	Transfer on 06/06/2014	7700	0.02	677298	1.96
	Transfer on 13/06/2014	18705	0.05	696003	2.01
	Transfer on 20/06/2014	14618	0.04	710621	2.05
	Transfer on 30/06/2014	1370	0	711991	2.06
	Transfer on 04/07/2014	-125000	-0.36	586991	1.7
	Transfer on 11/07/2014	-411887	-1.19	175104	0.51
	Transfer on 18/07/2014	-17325	-0.05	157779	0.46
	Transfer on 25/07/2014	-81226	-0.23	76553	0.22
	Transfer on 01/08/2014	-70000	-0.20	6553	0.02
	Transfer on 15/08/2014	-6000	-0.02	553	0
	Transfer on 21/11/2014	10000	0.03	10553	0.03
	Transfer on 05/12/2014	17239	0.05	27792	0.08
	Transfer on 12/12/2014	27589	0.08	55381	0.16
	Transfer on 19/12/2014	5198	0.02	60579	0.17
	Transfer on 09/01/2015	30026	0.09	90605	0.26
	Transfer on 16/01/2015	63287	0.18	153892	0.44
	Transfer on 23/01/2015	45000	0.13	198892	0.57
	Transfer on 30/01/2015	117419	0.34	316311	0.91
	Transfer on 06/02/2015	-34252	-0.10	282059	0.81
	Transfer on 13/02/2015	-38113	-0.11	243946	0.70
	Transfer on 06/03/2015	70588	0.20	314534	0.91
	At the end of the year (31/03/2015)	-	-	314534	0.91
7.	Madhukar Satuppa Patil				
	At the beginning of the year (01/04/2014)	221595	0.64	-	-
	Transfer on 04/04/2014	-15000	-0.04	206595	0.60
	Transfer on 23/05/2014	-181335	-0.52	25260	0.07
	Transfer on 30/05/2014	-24943	-0.07	317	0
	Transfer on 30/05/2014	317	0	0	0
	At the end of the year (31/03/2015)	-	-	0	0

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Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
8.	Jayesh Manharlal Ajmera				
	At the beginning of the year (01/04/2014)	219533	0.63	-	-
	Transfer on 02/05/2014	-33	0	219500	0.63
	Transfer on 09/05/2014	-39400	-0.11	180100	0.52
	Transfer on 30/05/2014	-34160	-0.10	145940	0.42
	Transfer on 13/06/2014	-58690	-0.17	87250	0.25
	Transfer on 20/06/2014	-4	0	87246	0.25
	Transfer on 04/07/2014	-1249	0	85997	0.25
	Transfer on 11/07/2014	35997	0.10	50000	0.14
	Transfer on 18/07/2014	-3000	-0.01	47000	0.14
	Transfer on 13/03/2015	5137	0.01	52137	0.15
	Transfer on 20/03/2015	4863	0.01	57000	0.16
	At the end of the year (31/03/2015)	-	-	57000	0.16
9.	Sejal Dhiren Shah				
	At the beginning of the year (01/04/2014)	116081	0.34	-	-
	Transfer on 18/04/2014	2000	0.01	118081	0.34
	Transfer on 25/04/2014	2000	0.01	120081	0.35
	Transfer on 02/05/2014	100	0	120181	0.35
	Transfer on 09/05/2014	600	0	120781	0.35
	Transfer on 23/05/2014	3581	0.01	124362	0.36
	Transfer on 13/06/2014	-87236	-0.25	37126	0.11
	Transfer on 20/06/2014	-17618	-0.05	19508	0.06
	Transfer on 30/06/2014	-5508	-0.02	14000	0.04
	Transfer on 18/07/2014	-9000	-0.03	5000	0.01
	Transfer on 23/01/2015	-4500	-0.01	500	0
	At the end of the year (31/03/2015)	-	-	500	0
10.	Janba Krishna Chougule				
	At the beginning of the year (01/04/2014)	114096	0.33	-	-
	Transfer on 04/04/2014	-92500	-0.27	21596	0.06
	Transfer on 04/04/2014	-21596	-0.06	0	0
	At the end of the year (31/03/2015)	-	-	0	0
11.	Jyoti Portfolio Limited				
	At the beginning of the year (01/04/2014)	0	0	-	-
	Transfer on 11/07/2014	3919	0.01	3919	0.01
	Transfer on 25/07/2014	300	0	4219	0.01
	Transfer on 05/09/2014	-300	0	3919	0.01
	Transfer on 27/09/2014	100	0	4019	0.01
	Transfer on 10/10/2014	19538	0.06	23557	0.07
	Transfer on 17/10/2014	-100	0	23457	0.07
	Transfer on 24/10/2014	-499	0	22958	0.07
	Transfer on 31/10/2014	618	0	23576	0.07
	Transfer on 07/11/2014	-419	0	23157	0.07
	Transfer on 28/11/2014	1271	0	24428	0.07
	Transfer on 19/12/2014	200	0	24628	0.07
	Transfer on 31/12/2014	-47	0	24581	0.07
	Transfer on 02/01/2015	-43	0	24538	0.07
	Transfer on 09/01/2015	20138	0.06	44676	0.13

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Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Transfer on 16/01/2015	-5110	-0.01	39566	0.11
	Transfer on 23/01/2015	1000	0	40566	0.12
	Transfer on 30/01/2015	11425	0.03	51991	0.15
	Transfer on 06/02/2015	116283	0.34	168274	0.49
	Transfer on 13/02/2015	3960	0.01	172234	0.5
	At the end of the year (31/03/2015)	-	-	172234	0.5
12.	Yajnanarayana Kammaje				
	At the beginning of the year (01/04/2014)	0	0	-	-
	Transfer on 11/07/2014	60558	0.17	60558	0.17
	Transfer on 18/07/2014	25137	0.07	85695	0.25
	Transfer on 15/08/2014	54000	0.16	139695	0.4
	Transfer on 22/08/2014	2000	0.01	141695	0.41
	Transfer on 05/09/2014	5000	0.01	146695	0.42
	Transfer on 12/09/2014	5000	0.01	151695	0.44
	Transfer on 20/02/2015	10000	0.03	141695	0.41
	Transfer on 13/03/2015	10000	0.03	131695	0.38
	Transfer on 27/03/2015	20000	0.06	111695	0.32
	At the end of the year (31/03/2015)	-	-	111695	0.32
13.	Ajmera Associates Ltd.				
	At the beginning of the year (01/04/2014)	77797	0.22	-	-
	Transfer on 11/07/2014	451	0	78248	0.23
	At the end of the year (31/03/2015)	-	-	78248	0.23
14.	Jyoti Portfolio Limited				
	At the beginning of the year (01/04/2014)	2706	0.01	-	-
	Transfer on 21/11/2014	1855	0.01	4561	0.01
	Transfer on 12/12/2014	10000	0.03	14561	0.04
	Transfer on 09/01/2015	500	0	15061	0.04
	Transfer on 16/01/2015	-5000	-0.01	10061	0.03
	Transfer on 23/01/2015	-1000	0	9061	0.03
	Transfer on 30/01/2015	26302	0.08	35363	0.1
	Transfer on 06/02/2015	42189	0.12	77552	0.22
	At the end of the year (31/03/2015)	-	-	77552	0.22
15.	Indian Infotech And Software Limited				
	At the beginning of the year (01/04/2014)	0	0	-	-
	Transfer on 21/11/2014	1500000	4.33	1500000	4.33
	At the end of the year (31/03/2015)	-	-	1500000	4.33
16.	Shivom Investment And Consultancy Limited				
	At the beginning of the year (01/04/2014)	0	0	-	-
	Transfer on 14/11/2014	1500000	4.33	1500000	4.33
	At the end of the year (31/03/2015)			1500000	4.33



Annexure to Directors' Report (Contd.)

(v) Shareholding of Directors & Key Managerial Personnel

Sl. No.	Name of Director and KMP	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Prashant Mehra				
	At the beginning of the year	917760	2.65	917760	2.65
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer/ bonus / sweat equity etc)	No change during the year			
	At the end of the year	917760	2.65	917760	2.65
2	Mr. Ramesh Kumar Mehra				
	At the beginning of the year	30010	0.09	30010	0.09
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer/ bonus / sweat equity etc)	No change during the year			
	At the end of the year	30010	0.09	30010	0.09
3	Mr. Mahesh Mehra				
	At the beginning of the year	48110	0.14	48110	0.14
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer/ bonus / sweat equity etc)	No change during the year			
	At the end of the year	48110	0.14	48110	0.14
4	Mr. Parag Keshar Bhattacharjee				
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer/ bonus / sweat equity etc)	0	0	0	0
	At the end of the year	0	0	0	0
5	Mr. Rajesh Kumar Agarwal				
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer/ bonus / sweat equity etc)	0	0	0	0
	At the end of the year	0	0	0	0

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Sl. No.	Name of Director and KMP	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
6	Mrs. Minoti Nath				
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer/ bonus / sweat equity etc)	0	0	0	0
	At the end of the year	0	0	0	0
7	Mr. Tarkeshwar Singh				
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer/ bonus / sweat equity etc)	0	0	0	0
	At the end of the year	0	0	0	0
8	Mr. Tarak Nath Mishra				
	At the beginning of the year	1500	0	1500	0
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer/ bonus / sweat equity etc)	No change during the year			
	At the end of the year	1500	0	1500	0

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Amount in ₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total
Indebtness at the beginning of the financial year				
i) Principal Amount	522,439,345	-	-	522,439,345
ii) Interest due but not paid	31,144,730	-	-	31,144,730
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	553,584,075	-	-	553,584,075
Change in Indebtedness during the financial year				
Additions	61,125,580	-	-	61,125,580
Reduction	-	-	-	-
Net Change	61,125,580	-	-	61,125,580
Indebtedness at the end of the financial year				
i) Principal Amount	591,084,075	-	-	591,084,075
ii) Interest due but not paid	23,625,580	-	-	23,625,580
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	614,709,655	-	-	614,709,655



Annexure to Directors' Report (Contd.)

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Managing Director & Chief Executive Officer	Whole-time Director	Total Amount
		Mr. Prashant Mehra	Mr. Mahesh Mehra	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	15,90,000	11,40,000	27,30,000
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	--	--	--
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	--	--	--
2	Stock option	0	0	0
3	Sweat Equity	0	0	0
4	Commission			
	as % of profit	0	0	0
	others (specify)	0	0	0
5	Others, please specify	0	0	0
	Total (A)	15,90,000	11,40,000	27,30,000

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

B. Remuneration to other directors:

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of the Directors					Total Amount
		Chairman/ Non-Executive and Non Independent Director	Independent Directors				
			Mr. Ramesh Kumar Mehra	Mr. ParagKeshar Bhattachahjee	Mr. Rajesh Kumar Agarwal	Mrs. MinotiNath	
1	(a) Fee for attending board/committee meetings	40,500	49,500	52,500	15,000	0	1,57,500
	(b) Commission	--	--	--	--	--	--
	(c) Others, please specify	--	--	--	--	--	--
	Total (B)	40500	44500	47500	15,000	0	1,57,500
	Total Managerial Remuneration (A+B)						2,887,500

Ceiling as per the Act: - ₹ 37 Lakhs as per section 197(5) of Companies Act, 2013 read with rule 4 of The Companies (Appointment and Remuneration of managerial Personnel) rules 2014.

Annexure to Directors' Report (Contd.)

C. Remuneration To Key Managerial Personnel Other Than MD/Manager/WTd.

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Company Secretary	CFO	
		Mr. Tarkeshwar Singh	Mr. TarakNath Mishra	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	310,683	426,480	737,168
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	--	--	--
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	--	--	--
2	Stock Option	--	--	--
3	Sweat Equity	--	--	--
4	Commission	--	--	--
	as % of profit	--	--	--
	others, specify	--	--	--
5	Others, please specify	--	--	--
	Total	310,683	426,480	737,168

VII. Penalties/Punishment/Compounding of Offences

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

Kolkata
13th August, 2015
Registered office:
HB-170, Sector-III
Salt Lake-Kolkata-700106
CIN-L51216WB1992PLC055629

Ramesh Kumar Mehra
(DIN: 00086598)
Chairman

Annexure to Directors' Report (Contd.)

Annexure VI to the Directors' report

SECRETARIAL AUDIT REPORT

Form No. MR-3

For The Financial Year Ended on 31st March, 2015
(Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014)

To,
The Members,
Kaushalya Infrastructure Development Corporation Ltd.

We have conducted the secretarial audit of the compliance of all applicable statutory provisions and adherence to good corporate practices by **M/s. Kaushalya Infrastructure Development Corporation Ltd** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

The Company's Management is responsible for preparation and maintenance of secretarial records and for devising proper systems to ensure compliance with the provisions of applicable laws and Regulations.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit. We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015, to the extent applicable, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder ;
- (ii) The Securities Contracts (Regulation) Act, 1956 (SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings: The Provisions of FEMA Act, 1999 and the rules and regulations made thereunder were not applicable to the Company for the financial year ended 31st March, 2015;
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - e) The Securities & Exchange Board of India (Issue and listing of Debt securities) Regulations, 2008;
 - f) The Securities & Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
 - g) The Securities & Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - h) The Securities & Exchange Board of India (Buy back of Securities) Regulations, 1998;

Annexure to Directors' Report (Contd.)

vi) As identified by the Management, no specific laws/ acts are applicable to the Company since there is no direct real estate project in the Company.

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

- a) Secretarial Standards issued by The Institute of Company Secretaries of India. (Not notified hence not applicable to the Company during the audit period)
- b) The Listing Agreements entered into by the Company with National Stock Exchange of India Ltd (NSE) & with Bombay Stock Exchange Ltd (BSE).
- c) The Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 including the provisions with regard to disclosures and maintenance of records required under the Regulations;
- d) The Company has complied with the provisions of the SEBI (Depositories and Participant) Regulations, 1996 including submitting of Reconciliation of Share Capital Audit Reports;
- e) There were no issues during the year which required specific compliance of the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- f) There were no issues during the year which required specific compliance of the provisions of the Securities Contracts (Regulation) Act, 1956 (SCRA) and the Rules made under that Act.

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

We further report that,

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c) None of the directors in any meeting dissented on any resolution and hence there was no instance of recording any dissenting member's view in the minutes

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

We further report that during the audit period the Company has passed a special resolution for approval to borrow money, where money to be borrowed together with the amount already borrowed by the Company exceeds aggregate of its paid share capital and free reserves under section 180(1) (c) of the Companies Act, 2013, which authorizes the Board to exercise powers in relation thereto, but presently does not have a major bearing on the Company's affairs.

For Rinku Gupta & Associates
CS Rinku Gupta
 Practicing Company Secretary
Partner
 ACS No. 25068
 COP No. 9248

Place: Kolkata
 Date: 13th day of August, 2015

Management Discussion and Analysis Report

ECONOMIC OVERVIEW

Over the last four years, the Infrastructure Sector in India has been sluggish with several players facing a sharp downturn in their businesses. While the government has made an effort to boost the economy with a push coming to infrastructure, the effects of the same are yet to be seen. Projects are fraught with land issues. Financing of infrastructure projects has become extremely tight as several infrastructure players being unable to service and repay their debt obligations.

Companies have had to abruptly realign their business models with a focus shifting from top line growth to operational efficiencies and cash generation for short-term obligations. Such effects has a spiraling effects down from larger companies to smaller ones who have in turn not been able to realize cash flows as projected and have entered into turbulent unforeseen waters.

INDIA'S INFRASTRUCTURE SECTOR

India, to continue to grow, needs to invest heavily in creating physical infrastructure of the kind that can support its growth aspirations. Infrastructure growth is a precursor for industrial growth and the demand for the provision of power, transportation and logistics go hand in hand with growth of the economy. The International Monetary Fund (IMF) estimates that overall infrastructure investment in the country would need to be increased to around 8% of the GDP from the current 5% - 6% levels by the 2020 and beyond to sustain the needs of the Indian economy.

Keeping in line with their focus on infrastructure growth, the Government of India has significantly increased allocation of funds by ₹ 70,000 crore for investments in infrastructure in the Union Budget 2015-16. However, infrastructure projects have a longer gestation and newly announced projects would take time to materialize as they may face land acquisition, environmental hurdles and other problems similar to several stalled projects in the country. A concerted effort needs to also be placed on long pending disputes and their resolutions. According to the Government of India's Economic Survey 2014-15, the rate of stalled projects has increased alarmingly in the last five years. By December 2014, the total value of stalled projects across sectors was about US\$139 billion with the top 100 projects accounting for 83% of the total value of stalled works.

To further delve into the major factors influencing stalled projects, while electricity and power projects have been stalled largely due to non-availability of fuel/coal, the road sector has faced land acquisition delays along. Environmental clearances have brought several real estate, infrastructure and road sector projects to a grinding halt.

The significant increase in stalled projects and their continued hindrances have created an environment of uncertainty. Several projects have been stalled mid-way causing the investment in them in turn becoming difficult to recuperate and loans taken turning bad. The Government needs to place larger stress on resolving older disputes and hindrances to bring the stalled projects out of litigation and restart progress on the same to create an environment conducive for infrastructure growth. Negotiation committees have been put in place in organizations like NHAI and more efforts of the sort needs to be in place with other government bodies to bring disputes to a closure as early as possible.

BUSINESS STRATEGY

Like several other companies in the infrastructure space, your Company has also been a victim of very challenging unforeseen circumstances. In order to execute the projects at hand in the prior years, your company had to borrow from banks similar to others in the industry. However with cash flows and payments becoming hard to come by the debt burden had become very difficult to service. With profits declining and converting to losses resulting from payment delays and several large projects being stuck in litigation and disputes with clients, in order to bridge the cash flow mismatch your company had opted from restructuring its debt obligations with its bankers in 2013 to obtain interest servicing moratorium and deferment of debt obligations.

However, the downturn has continued for longer than anticipated and realization of debts becoming harder to come by with several debts turning unrecoverable and hence written off. To tide with these difficult times, your Company has approached its bankers for a second debt restructuring which is in consideration by the bankers.

Management Discussion and Analysis Report *(Contd.)*

Simultaneously your company has heavily increasingly focused on cash flows and growing order book to revive the business and have a parallel income stream while the old debtors realization and their related litigations take time. Your company is focusing increasingly on operational efficiencies and pressing its legitimate claims on the clients while keeping a balance between recoverable amounts, ability of clients to pay along with the cost of such litigation and arbitrations. Efforts are also being given to monetize non core assets and exploring alternative businesses that can generate sustainable cash flows meanwhile.

Your Company has taken several steps on all these fronts during 2014-15 and continues to do so. However, the efforts and opportunities for their success, as those by others in this business, have been largely determined by the prevailing business environment and market conditions which, remains both problematic and uncertain.

OPPORTUNITY & THREATS

Government initiatives for development of infrastructure projects to boost Indian economy offers further prospects of increase in Company's order book. Business in partnership with international collaborators seeking to enter the country remains a large opportunity. Infrastructure Technology innovation, particularly in the affordable housing sector which is expected to see a large boom has the potential of increasing the speed of execution while simultaneously reducing the cost of construction and thus increasing margins.

Having said that, "Realty & Infrastructure" on the ground is not moving with the same pace as the talks. The sector has been demanding a single window clearance to improve ease of doing business, which still remains to be implemented by the Government. Everyone is awaiting the full policy announcement on small cities concept so that this wonderful initiative can be put in place in full. It will not be out of place to mention that until and unless industry status is granted to the real estate sector, this sector will face severe difficulties in raising cheaper funds.

RISK AND INTERNAL ADEQUACY

Your Company has an elaborate Risk Management procedure addressing management of business related risks, operation risks and efficiencies as well as policy and statutory compliances. Risks identified by in these key areas as well as others are systematically taken up and actions for their mitigation are discussed and implemented as an ongoing process of continuous improvement. Some of the identified risks also relate to competition and price variations and fluctuations over the tenure of the contracts undertaken.

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of operations. They are routinely evaluated by your Company and audits are conducted. Significant audit observations and resultant steps are taken up and reported to the Audit Committee which in turn assesses the adequacy and effectiveness of the controls in place and makes recommendation for alterations and changes as may be required to strengthen the internal controls and risk management policies/systems.

HUMAN RESOURCE

With a focus on increasing operational efficiencies and keeping costs in control the hiring policy of the company was methodically thought out and focus was given on increasing output and efficiencies of existing human resources either by reallocation of work load or cross leveraging team efforts to deliver such efficiencies. Only extremely critical manpower was inducted while focus on manpower retention was increased. With the new projects in place, additional human resource may be required in the future and the same shall be inducted commensurate with the augmenting business and work pressures.

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

Management Discussion and Analysis Report (Contd.)

DISCUSSION ON FINANCIAL PERFORMANCE

Revenue

For the financial year ended 31st March, 2015, your Company has earned Income from operations stood at ₹608.48 Lacs as against ₹ 1580.98 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 ₹ 742.08 Lacs for year ended 31st March, 2015 as comparing to ₹ 2324.56 Lacs in the previous year.

Interest

Interest expenses stood at ₹ 657.50 Lacs (previous year figure was ₹ 634.00 Lacs)

Profit before tax (PBT)

PBT is ₹ (744.87)Lacs for the current year from ₹ (1401.58) Lacs in the previous year.

Profit after tax

Your company's profit after tax is ₹ (727.86)Lacs for the year ended March 31, 2015 from ₹ (1398.89) Lacs as compared to the previous year.

EPS

The earnings per share for the current year stood at ₹ (2.10) as compared to ₹ (4.04) 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 & JV. The Consolidated Financial Statements have been drawn as per the Accounting Standards 21, 23 and 27 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.

COMPANY'S KEY DEVELOPMENT

The Company is primarily in the business of Engineering Procurement and Construction and the financial results are largely related to this. An increased focus has been given to strategically increase order book and change the nature of business from being purely a contracting business to preparation for more developer role projects in the long term.

Focus on increasing efficiencies and reduction of overhead costs is a continuous process. A renewed focus on handling disputes and litigation has also been put in place and is monitored directly by the senior management to put fort legitimate claims on disputed projects. As a first step effort conciliation and amicable settlement processes are explored to reduce the time of such dispute settlements and reduction related costs failing with necessary legal recourses are taken up via arbitration/approaching the courts of law for realization of dues and claims.

The company's efforts on the power sector are continued to be its focus. While the solar business is yet to materially take off, a well thought out strategy keeping cash flows in mind is orchestrated to ensure that such businesses, when implemented are shielded from cash flow crisis stemming from the regular infrastructure EPC business. Accordingly business development in these areas are being taken up.

The Company has always had a strong contracts management department. Considerable effort is put into analyzing and understanding contracts in terms of commitments, responsibilities, risks and returns.

Management Discussion and Analysis Report *(Contd.)*

SEGMENT WISE PERFORMANCE

The infrastructure business has remained the largest business, although the road sector business has significantly diminished with projects in the building construction business increasing in the mix. Overall income from contracts stood at ₹ 608.34 Lakh, being 99.97% of total revenue as compared to 9.77% of total revenue in the previous year.

The hotel business revenue stood at ₹ 0.15 Lakh, being 0.03% of total revenue as compared to 0.23% of total revenue in the previous year.

INTERNAL CONTROLS AND THEIR ADEQUACY

The Company as an adequate system of internal control to ensure that the resources of the Company are used efficiently and effectively, all assets are safeguarded and protected against loss from unauthorized use or disposition and the transactions are authorized, recorded and reported correctly, financial and other data are reliable for preparing financial information and other data and for maintaining accountability of assets. The internal control is supplemented by extensive programme of internal audits, review by management, documented policies, guidelines and procedures.

SEXUAL HARASSMENT AT WORKPLACE

For protection against sexual harassment, the Company has formed an internal compliance committee to which employees can write their complaints. However, so far, no complaint has been received by the said internal compliance committee.

CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'Forward Looking Statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downtrend in the infrastructure sector, significant changes in political and economic environment in India, exchange rate fluctuations, tax laws, litigation, labour relations and interest costs.

Report on Corporate Governance

CORPORATE GOVERNANCE

Your Company's corporate governance structure plays a pivotal role in realizing this long term goal. It provides the fundamental systems, processes and principles that promote objective decision making, performance based management and a corporate culture that is characterized by integrity and fairness in all dealings. Critical to this, is the high degree of transparency in disclosures across all levels of stakeholder engagement, which are periodically done while maintaining the importance of reserving competitive information from being disseminated.

1. PHILOSOPHY OF CORPORATE GOVERNANCE

Your Company prides itself on being a responsible corporate citizen which is committed to running its business in the best possible manner while being completely transparent, complying with all relevant rules & regulations and contributing to society at large. The Company adheres to the highest ethical standard which is combined with an unwavering commitment to certain core values – transparency, fairness in all dealings, honesty of purpose, quality consciousness and customer satisfaction. .

2. BOARD OF DIRECTORS

Your Company is managed by a Board of Directors consist of an optimum combination of Executive and Non-Executive Directors a judicious mix of professionalism, knowledge and experience. The Non-Executive Directors constituting more than fifty percent of the total strength of the Board.

In compliance with the Corporate Governance norms, your Company's Board of Directors headed by its Non-Executive and Non-Independent Chairman Mr. Ramesh Kumar Mehra, comprises of five other Directors (out of which two are Executive Director and three are Non-Executive Independent Directors).

None of the Directors on the Board is a member of more than 10 committees or Chairman of more than 5 committees across all companies in which he is a Director. Necessary disclosures with regard to membership of committees have been made by the Directors.

The composition of the Board as on 31st March, 2015 was as under:

Name of Director	Business relationship	DIN	Category of Directorship	No. of Directorships in other public limited companies#	No. of Committee positions held in other Public Companies as ##	
					Chairman	Member
Mr. Ramesh Kumar Mehra*	Non-Executive Chairman	00086598	Promoter, Non-Independent, Non-Executive	2	–	–
Mr. Prashant Mehra*	Managing Director	00086725	Promoter, Non-Independent, Executive	2	–	–
Mr. Mahesh Mehra*	Whole-time Director	00086683	Promoter, Non-Independent, Executive	0	–	–
Mr. Rajesh Kumar Agarwal	Director	00431195	Independent, Non-Executive	0	–	–
Mr. Parag Keshar Bhattacharjee	Director	00081899	Independent, Non-Executive	4	–	5
Mrs. Minoti Nath%	Director	07017530	Independent, Non- Executive	0	–	–
Mr. Sakti Pada Banerjee@	Director	01629690	Independent, Non- Executive	0	–	–

NOTES:

Other Directorship other than Kaushalya Infrastructure Dev Corp Limited and does not include alternate directorship, directorship of private companies, Section 8 companies and of other companies incorporated outside India.

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

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

% appointed as Woman Independent Director w.e.f. 13th November, 2014.

Report on Corporate Governance (Contd.)

* In terms of clause 49(VIII)(E)(2), 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 2(77) of Companies Act, 2013 read with rule 2014.

The composition of the Board and other provisions as to Board and Committees are in compliance with the clause 49. All the independent directors qualify the conditions for being independent director as prescribed under Clause 49 and Section 149 of the Companies Act, 2013. No Director is related to any other director, except Mr. Ramesh Kumar Mehra, Mr. Prashant Mehra and Mr. Mahesh, who are related to each other, as Mr. Ramesh Kumar Mehra is the father of Mr. Prashant Mehra and brother of Mr. Mahesh Mehra. The Company has conducted familiarisation programme for the Independent Directors of the Company. The details of familiarisation programme are disclosed in the website of the Company at web-link- <http://www.kaushalya.net/INDEPENDENTDIRECTORS.pdf>. The Director is also explained in detail the compliances required from him under the Companies Act, Clause 49 of the Listing Agreement and other relevant Regulations. The Board has devised proper system to ensure compliance with the provisions of applicable laws and periodically reviews compliance reports of all laws applicable to the Company and necessary steps are being taken to ensure the compliance in law and spirit.

During the year 2014-15, 6(Six) Board Meetings were held. The Company held at least one meeting in every quarter and the time gap between two board meetings did not exceed 120 days as prescribed under Clause 49 and Companies Act, 2013. The details are follows:-

The previous Annual General Meeting was held on September 30, 2014.

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

Name of Director	Attendance at the Board Meetings held on						Attendance at the AGM held on 30.09.2014
	30.05.2014	25.06.2014	13.08.2014	29.08.2014	13.11.2014	14.02.2015	
Mr. Ramesh Kumar Mehra	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Prashant Mehra	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Mahesh Mehra	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Rajesh Kumar Agarwal	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Parag Keshar Bhattacharjee	Yes	No	Yes	No	Yes	Yes	Yes
Mrs. Minoti Nath#	NA	NA	NA	NA	Yes	Yes	NA
Mr. Sakti Pada Banerjee@	No	No	NA	NA	NA	NA	NA

appointed as woman independent Director w.e.f. 13th November, 2014.

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

3. 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:

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

Report on Corporate Governance (Contd.)

i. Audit Committee

The composition of the Audit Committee is in accordance with the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The Audit Committee acts as the link between the Statutory and the Internal Auditors and the Board of Directors. The present terms of reference of the Audit Committee includes the powers as laid out in Clause 49(III)(C) and role as stipulated in Clause 49(III)(D) of the Listing Agreement with the Stock Exchanges. The Audit Committee also reviews information as per the requirement of Clause 49(III)(E) of the Listing Agreement.

The Audit Committee also complies with the relevant provisions of the Companies Act, 2013 and act in accordance with the terms of reference specified by the Board which shall inter alia include:

- (i) Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
- (ii) Review and monitor the Auditor's independence and performance, and effectiveness of Audit process;
- (iii) Examination of the financial statement and the auditors' report thereon;
- (iv) Approval or any subsequent modifications of transactions of the Company with related parties;
- (v) Scrutiny of inter-corporate loans and investments;
- (vi) Valuation of undertakings or assets of the Company, wherever it is necessary;
- (vii) Evaluation of internal financial controls and risk management systems;
- (viii) Monitoring the end use of funds raised through public offers and related matters;
- (ix) To establish a vigil mechanism that will provide for adequate safeguards against the victimization of persons who use such mechanism and make provision for direct access to the chairperson of Audit Committee in appropriate or exceptional cases;
- (x) To perform such other functions as prescribed under the Companies Act, 2013.

The brief descriptions of the terms of reference of the Audit Committee in line with the Clause 49 of the Listing Agreement are:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
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 and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. 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;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions;
 - g. Qualifications in the draft audit report;
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. 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 utilised for purposes

Report on Corporate Governance (Contd.)

other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Valuation of undertaking or assets of the Company, wherever necessary
10. Scrutiny of inter-corporate loans and investments;
11. Valuation of undertakings or assets of the Company, wherever it is necessary;
12. Evaluation of internal financial controls and risk management systems;
13. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
14. 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;
15. Discussion with internal auditors of any significant findings and follow up there on;
16. 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;
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 and background, etc. of the candidate;
21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee may also review such matters as considered appropriate by it or referred to it by the Board.

Composition, Meeting and Attendance

The Audit Committee of the Company comprises three directors – two of whom are Independent, Non-Executive and one is Promoter, Executive. All of them are experts in corporate finance, accounts and corporate law. The Chairman of the Committee is an Independent Non-Executive Director, nominated by the Board. The Company Secretary acts as the secretary to the Committee. The Chief Financial Officer, the Statutory Auditor, and the Internal Auditor of the Company are invitees at the meetings of the Committee. The internal auditor directly report to the audit committee. The composition of the Audit Committee meets the requirement of the Clause 49 and the provisions of the Companies Act, 2013. During the year ended 31st March, 2015, four Audit Committee meetings were held on May 30, 2014, August 13, 2014, November 13, 2014 and February 14, 2015. The composition and attendance of the members of the Audit Committee are as follows:

Name of the Member	Position	No. of Meetings	
		Held	Attended
Mr. Parag Keshar Bhattacharjee#	Chairman, Independent, Non-Executive	4	4
Mr. Prashant Mehra	Member, Promoter, Executive	4	4
Mr. Rajesh Kumar Agarwal	Member, Independent, Non-Executive	4	4

Appointment of Chairman on 13th August, 2015

Report on Corporate Governance (Contd.)

ii. Remuneration Committees/Nomination and Remuneration Committee

The Nomination and Remuneration Committee identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the board their appointment and removal and carry out evaluation of every director's performance. The Nomination and Remuneration Committee formulated the criteria for determining qualifications, positive attributes and independence of a director and recommended to the Board a policy, relating to remuneration for the Directors, Key Managerial Personnel and other employees. It shall also carry out such other functions as may be required under the Companies Act, 2013 and Clause 49 of the listing agreement.

As on 31st March, 2015, the Nomination and Remuneration Committee comprises of three directors, all of whom are Non-Executive Directors and more than half are Independent Directors. The members of the committee are Mr. Rajesh Kumar Agarwal, Mr. Ramesh Kumar Mehra and Mr. Parag Keshar Bhattacharje is the Chairman of the Committee.

During the year ended 31st March, 2015, one meeting of the Nomination and Remuneration Committee were held on 29th August, 2014.

The composition and attendance of the members of the Nomination and Remuneration Committee are as follows:

Sl. No.	Name of Director	Position	No. of Meetings	
			Held	Attended
1	Mr. Parag Keshar Bhattacharjee	Chairman, Independent, Non-Executive	1	1
2	Mr. Rajesh Kumar Agarwal	Member, Independent, Non-Executive	1	1
3	Mr. Ramesh Kumar Mehra	Member, Promoter, Non-Executive	1	1

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

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.

Remuneration policy

Remuneration Policy Introduction – The Remuneration Policy is designed to attract, motivate and retain talented employees in a competitive market. The purpose of the remuneration policy are to motivate employees to excel in their performance, recognise their contribution, retain talent in the organisation, reward merits and protect organisational stability & flexibility and create sustainable long term value for the shareholders.

Therefore, the Company formulated the Remuneration Policy with the following objectives:

- (i) Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
- (ii) Ensuring that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (iii) Ensuring that the remuneration involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

Report on Corporate Governance (Contd.)

However, occasions may arise where it is appropriate to act differently than set out in this Policy in exceptional cases due to some extra-ordinary talent of the candidate and for outstanding performance. The Remuneration Policy applies to the Company's directors, key managerial personnel and other employees.

Criteria for remuneration – The Remuneration Policy reflects balance between the interests of Kaushalya main stakeholders as well as a balance between the Company's short-term and long-term strategy. As a result, the structure of the remuneration package for the Managing Board and senior executives are designed to balance short-term operational performance with the medium and long-term objective of creating sustainable value within the Company. The Company strives for a high performance in the field of sustainability and aims to maintain a good balance between economic gain, respect for people and concern for the environment in line with the Kaushalya values and business principles to ensure that highly skilled and qualified senior executives can be attracted and retained. The Company aims for a total remuneration level that is comparable to levels provided by other companies that are similar to Kaushalya in terms of size and complexity.

The following elements shall be considered for payment of remuneration to Executive Directors, KMP and other employees:

Industry Average, Remuneration drawn by peers considering nature and volume of responsibilities, Qualification, Experience, Immediate previous position held in earlier organisation & responsibilities occupied, responsibilities shouldered in the Company, contribution made in the Company, any achievements, rewards or recognitions, behavioral patterns and work ethics, evaluation of performance, etc.

Remuneration to Executive Directors & Non-Executive Directors – The remuneration of the Executive Directors consists of salary and perquisites. The Managing Director and Whole-time Director. The salary and perquisites shall be recommended by the Nomination and Remuneration Committee for approval by the Board of Directors. After approval from the Board of Directors shareholder's approval will be sought. The Non-executive Directors are entitled for sitting fees for attending each Board of Directors meeting and committee meeting. The sitting fees shall be recommended by the Nomination and Remuneration Committee for approval by the Board of Directors. Thereafter, shareholder's approval shall be sought for payment of commission to the Nonexecutive Directors. Any review of the remuneration to Executive Directors and Non-executive Directors shall be on the basis of performance evaluation of directors and as per recommendation of the Nomination and Remuneration Committee. The salary, perquisites and commission to Executive Directors and commission & sitting fees to Non-executive Directors shall be subject to provisions of the Companies Act, 2013 including prescribed Rules & Schedules thereunder and the Listing agreement.

Remuneration to KMP, Senior Executives and other employees – In order to attract and retain managerial expertise, the elements of the remuneration of the KMP & senior executives are determined on the basis of the work they do and the value they create as well as of the conditions in other similar companies. Each element of the remuneration has been weighted in order to ensure a continuous positive development of the Company both in the short and long-term as well as of the employees to enhance productivity.

Remuneration of employees largely consists of base remuneration, perquisites, bonus, exgratia, etc. The components of the total remuneration vary for different cadres/ grades are governed by industry pattern, qualification and experience of the employee, responsibilities handled by him, individual performance, among others. Employees/workers may be granted advance/loan with or without interest in case of genuine needs like- Medical, education, housing, marriage or for any other genuine purpose, subject to in conformity with the applicable laws and regulations as amended from time to time. The remuneration to employees/workers shall also comply with the applicable regulations and policies of the respective governments.

However, the Company may give compensation in the form of reward or incentive to any employee for any outstanding or extraordinary performance by him which is over and above the benchmark set for him during any year.

Annual appraisal of performance of KMP, senior executives and other employees shall be done by the respective reporting authority/ head of the department in association with Managing Director. Based on such performance evaluation any increase in remuneration shall be done.

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

Report on Corporate Governance (Contd.)

are remunerated by way of sitting fees of ₹ 5000/- for attending each Board of Directors meeting and ₹ 3500/- for attending each committee meeting. 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, 2013 read with its rule & Schedule V and approved by the Board as well as by the shareholders of the Company.

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.

The details of sitting fees for the Financial Year 2014-15 paid to the Non-Executive Directors & their shareholding in the Company are as under; (Amount in ₹)

Sl.No	Name of Directors	Category	Sitting fees (₹)		No. of shares held as on 31st March, 2015
			Board Meeting	Committee Meeting/ Separate Meeting of Independent Directors	
1	Mr. Rajesh Kumar Agarwal	Non-Executive Independent	30,000/-	22,500/-	NIL
2	Mr. Parag Keshar Bhattacharjee	Non-Executive Independent	20,000/-	29,500/-	NIL
3	Mr. Sakti Pada Banerjee@	Non-Executive Independent	–	–	NIL
4	Mr. Ramesh Kumar Mehra	Non-Executive Non-Independent	30,000/-	10,500/-	30,010
5.	Mrs. Minoti Nath#	Non-Executive Independent	10,000/-	5,000/-	NIL

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

appointed as director w.e.f. 13th November, 2014.

Remuneration/Sitting Fees paid to Executive and Non-Executive Directors of the Company during the Financial Year ended March 31, 2015 are detailed as under:

Executive Directors:

(Amount in ₹)

Name of Director	Salary & Perquisites	Commission	Sitting Fees	Total	Period of Contract		Notice Period	No. of Shares held as on 31.03.2015
					From	To		
Mr. Prashant Mehra @	15,90,000/-	–	–	15,90,000/-	01.10.2014	30.09.2017	2 Months	917760
Mr. Mahesh Mehra	11,40,000/-	–	–	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 meeting of Board of Directors held on 29th August, 2014 with Nomination and Remuneration Committee recommendation and shareholders' approval in Annual General Meeting held on 30/09/2014.

iii. Stakeholders Relationship Committee

The Stakeholders Relationship Committee considers and resolves the grievances of security holders of the Company. The Stakeholders Relationship Committee shall also oversee the redressal of shareholders' and investors' grievances in relation to the transfer of shares, non-receipt of annual report, non-receipt of declared dividend, 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. During the year ended 31st March, 2015, two Stakeholders Relationship Committee meetings were held on 18th October, 2014 and 13th November, 2014. The composition and attendance of the members of the Stakeholders Relationship Committee are as follows:

Report on Corporate Governance (Contd.)

The Stakeholders Relationship Committee consists of the following Members:

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

The Company Secretary, acts as the Secretary of the Committee and Compliance Officer.

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

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

The Committee has delegated the authority to approve the requests for transfers/transmission, split and 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 2014-2015, excluding correspondences which are not in the nature of complaints are given below:

Number of complaints received from the shareholders	6
Number of complaints redressed	6
Number of complaints not solved/pending	Nil

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.

iv. Executive Committee

The Executive Committee as at March 31, 2015 comprised is 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.

4. PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the performance evaluation of its own performance and of the Board Committees, viz. Audit Committee, Nomination and Remuneration Committee, and Stakeholders' Relationship Committee as well as evaluation of performance of Directors individually.

Report on Corporate Governance (Contd.)

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations, corporate governance practices and stakeholders' interests, etc. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment meeting risk management & competition challenges, compliance & due diligence, financial control, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board.

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

5. SEPARATE MEETING OF INDEPENDENT DIRECTORS'

During the year ended 31st March, 2015, the Independent Directors met on 27th March, 2015, inter alia,

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

6. GENERAL BODY MEETING

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

Financial Year	Date	Time	Venue	Special Resolution Passed, if any
2013-2014	30th September, 2014	11.00 A.M	"Aikatan", EZCC, IA-290, Sector-III, Saltlake, Kolkata - 700097	YES*
2012-2013	27st 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

No special resolution was passed through ballot at the last AGM and no special resolution is proposed to be conducted through postal ballot at the forthcoming AGM to be held on 29th September, 2015.

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

- Re-appointment of Mr. Prashant Mehra as Managing Director.
 - Authority to the Board to borrow money under section 180(1)(c) of the Companies Act, 2013.
 - Approval of related party transaction u/s 188 of the Companies Act, 2013.
- D.1 *Extraordinary General Meeting*: During the Financial Year 2014-2015 no Extraordinary General Meeting of the members of the company was held.
- D.2 *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.

7. DISCLOSURES

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

Your Company does not have any related party transactions, which may have potential conflict with the interests of the Company at large. However, disclosure of transactions with related parties is set out in the Notes to Accounts, forming part of the Annual Report. The Company has disclosed the policy

Report on Corporate Governance (Contd.)

on dealing with the related party transactions on its website at web-link, <http://www.kaushalya.net/KIDCORELATED.pdf>.

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

- ii. Your Company has followed the prescribed guidelines of Accounting Standards in preparation of its financial statements.
- iii. Your Company laid down Risk Assessment and Minimisation procedures and the same is periodically reviewed by the Board. Further, the Company has adequate internal control systems to identify the risk at appropriate time and to ensure that the executive management controls the risk through properly defined framework.
- iv. The Company has complied with the requirements of regulatory authorities on capital markets and no penalties/ strictures were imposed against it during the last three years.
- iv. Your Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement of stock Exchanges. Company has submitted the quarterly compliance report to the stock exchange within the prescribed time limit.
- v. **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, 2015 the Company had following Subsidiaries:

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

Step Down Subsidiary

- Kaushalya Township 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.

During the year two Companies viz Kaushalya Nirman Private Ltd and Orion Absaan Private Ltd desubsidiarized. Details given in Board Report forms part of this Annual Report.

- vi. 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.
- vii. The CEO/CFO Certificate has been placed before the board at their meeting held on August 13, 2015, in compliance with Clause 49 of the Listing Agreement with the stock exchanges duly signed by the Managing Director/CEO and CFO.
- viii. 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.
- ix. The Company has laid down procedures to inform Board Members about the Risk Assessment and minimization procedure, which are periodically reviewed by the Board.

Report on Corporate Governance (Contd.)

- x. 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.
- xi. 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.
- xii. The Company has transferred ₹ 1,63,680/- from unclaimed dividend account (the application money received by companies for allotment of any securities and due for refund) to Investor Education and Protection Fund as per section 125 of the Companies Act, 1956. There has been no delay in transferring amount, required to be transferred to the Investor Education and Protection Fund.

8. CODE OF CONDUCT

The Company has adopted a code of conduct for its Board of Directors and Senior Management Personnel and the same has been posted on the Company's website.

All Board Members and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct as on March 31, 2015.

A declaration to this effect, duly signed by Managing Director & CEO is annexed below:-

Declaration

Pursuant to Clause 49 of the Listing Agreement with stock exchanges, I, Prashant Mehra, Managing Director & CEO of Kaushalya Infrastructure Dev Corp Limited, declare that all the Board Members and Senior Executives of the Company have affirmed their compliance with the Code of Conduct during the year ended 31st March, 2015.

For Kaushalya Infrastructure Dev Corp Ltd

Sd/-

Prashant Mehra

Managing Director & CEO

DIN-00086725

Place: Kolkata

Date: 13th August, 2015

9. MEANS OF COMMUNICATION

- i) A half-yearly report was not sent to each household of shareholders. Shareholders were intimated through the press and the Company's website www.kaushalya.net about the quarterly performance and financial results of the Company.
- ii) The quarterly, half yearly and annual results of the Company were widely published in the leading English and Bengali regional newspapers such as the Business Standard/Financial Express and Arthik Lipi.
- iv) The NEAPS is a web based application designed by NSE for corporates. All periodical compliance filings like financial results, shareholding pattern, corporate governance report etc. are filed electronically on NEAPS.
- v) BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like financial results, shareholding pattern, corporate governance report, etc. are filed electronically on the Listing Centre.
- vi) 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.
- vii) The Company has designated email-id: info@kaushalya.net exclusively for redressal of the investor grievances and the necessary disclosure to this effect has also been made in the Company's website www.kaushalya.net.
- viii) The Management Discussion and Analysis forms part of the Annual Report, which is posted to the shareholders of the Company.

Report on Corporate Governance (Contd.)

10. GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting

Date and Time: 29th September, 2015 at 11.00 a.m.

Venue: Agora, 5th Floor Axis Mall, Unit-A(Block-B) Plot No. CF9, Major Arterial Rd, Action Area 1C, Newtown, Kolkata, 700156

Financial Year

The financial year of the Company is from 1st April to 31st March every year.

Financial year calendar for 2015-16 (Tentative)*

Particulars	Tentative Schedule
Results for the quarter ending 30th June, 2015	Disclosed on 13th August, 2015
Results for the quarter ending 30th September, 2015	On or before November 14, 2015 (Subject to Limited Review)
Results for the quarter ending 31st December, 2015	On or before February 14, 2016 (Subject to Limited Review)
Results for the quarter ending/Annual 31st March, 2016	On or before May 30, 2016 (Audited)

* Tentative and subject to change.

Book Closure Date

25th September, 2015 to 29th September, 2015 (both days inclusive) on account of AGM.

Listing of Equity Shares on Stock Exchanges at

- i) National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor Plot No. C/1, G Block Bandra – Kurla Complex, Bandra (E) Mumbai 400 051
- ii) BSE Ltd. The Corporate Relationship Department Rotunda Building, P.J. Towers, Dalal Street Fort, Mumbai 400 001.

Listing Fees

Listing fee for the year 2015–16 has been paid to the NSE, BSE where the Company's equity shares are listed.

Depositories

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

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 De mat Form: INE234I01010.

Stock Code

NSE KAUSHALYA

BSE 532925

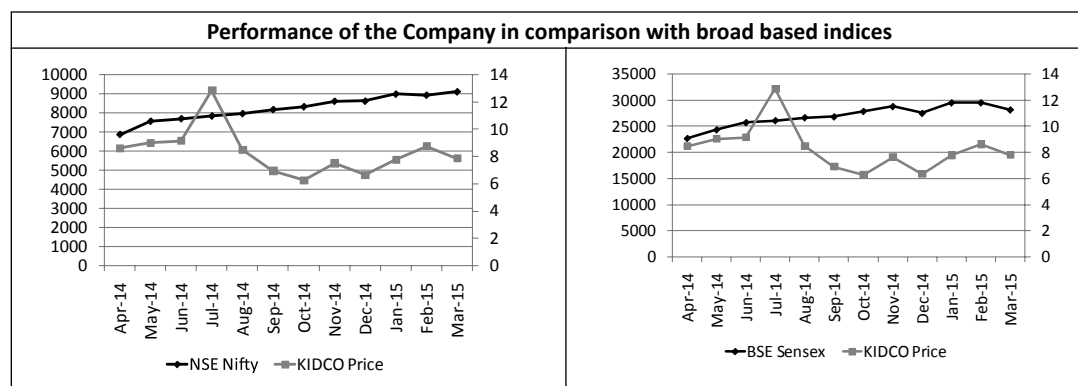
Report on Corporate Governance (Contd.)

Market price data

Monthly high, low quotations and trading volumes of the Company's equity shares (Face Value of ₹ 10/- each) during the financial year 2014-15 at NSE and BSE are noted below:

Months	Bombay Stock Exchange Ltd			National Stock Exchange of India Ltd.		
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume
April, 2014	8.49	5.05	2,22,269	8.60	5.15	10,474
May, 2014	9.05	6.69	2,60,194	9.00	6.60	1,18,718
June, 2014	9.16	7.00	2,59,790	9.15	7.05	43,066
July, 2014	12.88	8.50	56,70,933	12.85	8.50	9,04,675
August, 2014	8.50	6.25	25,13,866	8.50	6.20	1,81,222
September, 2014	6.91	5.06	6,35,646	6.95	5.00	1,16,060
October, 2014	6.29	5.10	1,27,714	6.25	5.00	24,414
November, 2014	7.62	5.54	5,13,902	7.50	5.50	65,224
December, 2014	6.35	5.25	1,92,218	6.65	5.00	62,181
January, 2015	7.78	5.31	3,61,598	7.75	5.40	1,04,926
February, 2015	8.62	6.20	3,94,092	8.75	6.15	95,924
March, 2015	7.82	5.00	3,16,888	7.85	4.50	35,742

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



Registrar and Share Transfer Agent

CB Management Services Private Limited

P-22, Bondel Road, Kolkata-700019

Ph: 033 22806692/93/94/2486; Fax: 033 22870263

Email: rta@cbmsl.com

Website: www.cbmsl.com

Share Transfer System

The shares received in physical mode by the Company / RTA are transferred expeditiously provided the documents are complete and shares under transfer are not under dispute. Confirmation in respect of the request for dematerialization of shares is sent to respective depositories - National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) within stipulated period. The Company Secretary addresses the entire requests forth nightly.

Report on Corporate Governance (Contd.)

Shareholding pattern as on March 31, 2015

Category	No of Shares Held	% of shareholding
Promoters & Promoter Group	1,78,05,630	51.42
Institutional Investors	Nil	Nil
Bodies Corporate	67,91,378	19.61
Indian Public	96,80,324	27.95
NRIs /OCB/Others	1,45,568	0.42
Clearing Members	2,07,091	0.60
Total	3,46,30,630	100.00

Distribution of Shareholding

The distribution of shareholding of the Company as on March 31, 2015 is noted below:

Range of Holding	No. of Shareholders	% on total no. of Shareholders	No. of Shares	% on issued shares
Upto - 500	17,339	84.05	27,24,039	7.87
501 - 1000	1,640	7.95	13,78,798	3.98
1001 - 2000	827	4.01	12,87,762	3.72
2001 - 3000	287	1.39	7,31,652	2.11
3001 - 4000	123	0.60	4,45,844	1.29
4001 - 5000	135	0.65	6,42,505	1.86
5001 - 10000	157	0.76	11,57,408	3.34
10001- 50000	92	0.45	18,12,113	5.23
50001 - 100000	13	0.06	9,29,916	2.68
100001 and above	17	0.08	2,35,20,593	67.92
Total	20,630	100.00	3,46,30,630	100.00

Dematerialization of shares and liquidity as on March 31, 2015

The Companies Equity Shares are compulsory demat segment and are available for trading under dematerialized form with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited(CDSL).

99.99% equity shares of the Company have been dematerialized as on March 31, 2015.

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

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

Company Secretary:

Mr. Tarkeshwar Singh

Kaushalya Infrastructure Development Corporation Ltd.

CIN-L51216WB1992PLC055629

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

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

E –mail: info@kaushalya.net

Website-www.kaushalya.net



Report on Corporate Governance (Contd.)

Registrar and Share Transfer Agent

CB Management Services Private Limited

P-22, Bondel Road, Kolkata-700019

Ph: 033 22806692/93/94/2486; Fax: 033 22870263

Email: rta@cbmsl.com

Website: www.cbmsl.com

For and on behalf of the Board

Ramesh Kumar Mehra

(DIN: 00086598)

Chairman

Place: Kolkata

Date: August 13, 2015

CEO AND CFO Certification

To

The Board of Directors of

Kaushalya Infrastructure Development Corporation Limited

Kolkata

We Prashant Mehra, Managing Director & CEO and Mr. Tarak Nath Mishra, Chief Financial Officer, of the Company, on the basis of the review of the financial statements and the cash flow statement for the year ended 31st March, 2015 and to the best of our knowledge and belief, hereby certify that :-

1. These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2015 which, are fraudulent, illegal or violative of the Company's Code of Conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which, we are aware and the steps we have taken or propose to take to rectify these deficiencies.
5. We have indicated to the Auditors and the Audit Committee that:
 - (a) there has been no significant changes in internal control over financial reporting during this year.
 - (b) there has been no significant changes in accounting policies during this year.
 - (c) there has been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control systems over financial reporting.

Place: Kolkata

Date: 13th August, 2015

Prashant Mehra*Managing Director and
Chief Executive Officer***Tarak Nath Mishra***Chief Financial Officer*

Report on Corporate Governance (Contd.)

Auditors' Certificate Regarding Compliance of Conditions of Corporate Governance

To

The members of

Kaushalya Infrastructure Development Corporation Limited

We have examined the compliance of the conditions of Corporate Governance by Kaushalya Infrastructure Development Corporation Limited for the year ended 31st March, 2015, as stipulated in Clause 49 of the Listing Agreement of the said company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of the opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of corporate governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

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

Place: Kolkata.

Date: The 13th day of August 2015

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

Sd/-
Pradeep Kumar Agarwal
Partner
Membership No. 056521

Independent Auditor's Report

To the Members of

KAUSHALYA INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of **KAUSHALYA INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and

perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

8. In our opinion, and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by the 'Companies (Auditor's Report) Order, 2015', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order") based on the comments in the auditors' reports, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
10. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law relating to preparation of the

Independent Auditor's Report (Contd.)

- financial statements have been kept so far as it appears from our examination of those books and the reports of the others;
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of financial statements;
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The company disclose the impact of pending litigations on its financial position in its financial statements – Refer Note 25.1 (2) & 25.9(a) to the financial statements;
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Place : Kolkata

Date : The 30th day of May, 2015

For **Sumanta & Co.**
Firm Registration No. 32254E
Chartered Accountants
Pradeep Kumar Agarwal
Partner
ICAI Membership No. 056521

Annexure to Independent Auditors' Report

Referred to in paragraph [9] of the Independent Auditors' Report of even date to the members of Kaushalya Infrastructure Development Corporation Limited on the standalone financial statements for the year ended 31st March 2015

- (i) (a) The company is maintaining proper records in soft copy format showing full particulars, including quantitative details and situations of fixed assets except for the period before Financial year 2004-05.
- (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 on such verification. In our opinion, the frequency of verification is reasonable.
- (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 its nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- (iii) (a) As informed to us, the company have not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 and accordingly the provisions of Clause 3(iii)[(b) and (c)] of the said 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

Annexure to Independent Auditors' Report (Contd.)

for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the company and according to the information and explanation given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.

- (v) The Company have not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) The Central Government has not prescribed cost records u/s 148(1) of the Companies Act, 2013 for any of the activities of the company and accordingly the provisions of Clause 3 (vi) of the order is not applicable to the company.
- (vii) (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, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Value Added Tax, cess and any other statutory dues applicable to it.

According to information and explanations given to us, undisputed amounts payable in respect of Service Tax ₹ 1,44,07,638/-, Tax deducted at Source ₹ 25,000/- and ESI ₹ 4,419/- were in arrears as at 31st March, 2015 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and records of the Company examined by us, there are no dues of income- tax, sales Tax, service tax, value added Tax, cess and other material dues which have not been deposited on account of dispute. The particulars of dues of service tax & income tax as at 31st March 2015 which have not been deposited on account of a dispute, are as follows:

(Amount in ₹)

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	0.91	Asst. Year 2005-06	I.T. Appellate Tribunal
Income Tax Act	Income tax	28.47	Asst. Year 2007-08	I.T. Appellate Tribunal
Income Tax Act	Income tax	30.27	Asst. Year 2009-10	I.T. Appellate Tribunal
Income Tax Act	Income tax	37.61	Asst. Year 2010-11	I.T. Appellate Tribunal
Income Tax Act	Income tax	1.91	Asst. Year 2011-12	I.T. Appellate Tribunal
Income Tax Act	Income tax	51.43	Asst. Year 2012-13	Commissioner of Income Tax (Appeals)
Income Tax Act	Interest on TDS & Late Fees	2.46	Asst. Year 2015-16	TDS Circle-II
Income Tax Act	Short Deduction of TDS & Late Fees	3.02	Asst. Year 2014-15	TDS Circle-II
Income Tax Act	Interest & Short Deduction of TDS & Late Fees	3.30	Asst. Year 2013-14	TDS Circle-II
Income Tax Act	Interest on TDS	15.75	Asst. Year 2012-13	TDS Circle-II
Income Tax Act	Interest, Short Payment & Deduction of TDS		Prior Assessment Years	TDS Circle-II
The Central Excise Act, 1944	Service Tax	421.84	From 1st april, 2010- 31st December 2012 under VCES	Service Tax Commisionerate, Kolkata
The WB.VAT Act, 2003	Vat	87.42	Financial Year 2006-07	Revision Board, Kolkata

Annexure to Independent Auditors' Report (Contd.)

(Amount in ₹)

Name of the Statute	Nature of Dues	Amount (in Lacs)	Period to which the amount relates	Forum where dispute is pending
The WB.VAT Act, 2003	Vat	89.53	Financial Year 2007-08	Revision Board, Kolkata
The WB.VAT Act, 2003	Vat	817.10	Financial Year 2008-09	Revision Board, Kolkata
The WB.VAT Act, 2003	Vat	6.60	Financial Year 2009-10	Sr. Joint Commissioner Appeal, Kolkata
The WB.VAT Act, 2003	Vat	0.35	Financial Year 2010-11	Sr. Joint Commissioner Appeal, Kolkata
The WB.VAT Act, 2003	Vat	65.35	Financial Year 2011-12	Sr. Joint Commissioner Appeal, Kolkata

- (c) According to the information and explanations given to us the company has transferred ₹ 1,63,680/- to the investor education and protection fund in accordance with the relevant provisions of Companies Act, 1956 and rules made thereunder, with the appropriate authorities.
- (viii) The company has accumulated losses as at 31st March, 2015 which is less than fifty percent of the net worth of the Company and it has incurred cash loss of ₹ 6,56,14,996/- in the current year and of ₹ 13,65,80,111/- in the immediately preceding financial year.
- (ix) According to the records of the company examined by us and the information and explanations given to us, the company has defaulted in payment of bank interest of ₹ 45,42,695/- and the same has been reversed by the bank in the month of March. The bankers of the Company are considering a second restructuring which is under review by lead banker (The State Bank of India). The Company has not issued any debentures at balance sheet date.
- (x) 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 banks or financial institution.
- (xi) The company has not taken any term loans and accordingly the provisions of Clause 3(xi) of the order are not applicable to the company.
- (xii) 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 aforesaid 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, 2015

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

Balance Sheet as at 31st March, 2015

(Amount in ₹)

PARTICULARS	Note	As at 31st March, 2015	As at 31st March, 2014
EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	34,63,06,300	34,63,06,300
(b) Reserve & Surplus	4	50,44,38,344	57,72,24,033
		85,07,44,644	92,35,30,333
(2) Non-Current Liabilities			
(a) Deferred Tax Liabilities (Net)	29	57,17,508	74,18,543
(b) Other Long Term Liabilities	5	94,03,503	95,19,980
(c) Long Term Provisions	6	8,46,411	8,41,411
		1,59,67,422	1,77,79,934
(3) Current Liabilities			
(a) Short Term Borrowings	7	61,47,09,655	55,35,84,075
(b) Trade Payables	8	13,08,43,498	19,47,10,159
(c) Other Current Liabilities	9	11,18,93,192	8,85,15,002
(d) Short Term Provisions	10	6,40,49,355	6,40,49,355
		92,14,95,700	90,08,58,591
TOTAL		1,78,82,07,766	1,84,21,68,858
ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	11	3,98,09,680	4,86,08,302
(b) Non-Current Investments	12	17,20,55,115	17,20,09,115
(c) Long-Term Loans and Advances	13	63,82,05,655	65,84,90,440
		85,00,70,450	87,91,07,857
(2) Current Assets			
(a) Inventories	14	99,44,765	1,07,45,745
(b) Trade Receivables	15	77,96,39,664	76,36,80,548
(c) Cash & Cash Equivalents	16	1,60,40,540	2,16,08,067
(d) Short Term Loans and Advances	17	13,24,30,654	16,65,02,275
(e) Other Current Assets	18	81,692	5,24,366
		93,81,37,315	96,30,61,001
TOTAL		1,78,82,07,765	1,84,21,68,858
See accompanying notes forming part of the financial statements	1-33		

In terms of our report attached.

For **Sumanta & Co.**

Firm Regn. No. 32254E

Chartered Accountants

Pradeep Kumar Agarwal

Partner

Membership No. 056521

Place : Kolkata

Date : 30th May, 2015

For and on behalf of the Board of Directors

Prashant Mehra
Managing Director

Maresh Mehra
Whole-time Director

Tarak Nath Mishra
CFO

Tarkeshwar Singh
Company Secretary

Statement of Profit and Loss for the year ended 31 March, 2015

(Amount in ₹)

PARTICULARS	Note No.	For the year ended 31st March, 2015	For the year ended 31st March, 2014
1 Revenue from operations (gross)	19	6,08,48,398	15,80,98,342
Less: Service Tax		40,17,000	59,30,597
Revenue from operations (net)		5,68,31,398	15,21,67,745
2 Other income	20	86,39,702	35,31,293
3 Total revenue (1+2)		6,54,71,100	15,56,99,038
4 Expenses			
Cost of Material Consumed	21.a	1,80,64,580	8,05,47,082
Changes in Inventories of finished goods, work-in-progress and stock-in-trade	21.b	-	-
Employee benefits expense	22	73,41,445	71,01,711
Finance costs	23	6,57,50,012	6,34,00,569
Depreciation and amortisation expense	11	88,71,729	35,77,470
Other expenses	24	3,99,30,058	14,12,29,788
Total expenses		13,99,57,824	29,58,56,619
5 Profit / (Loss) before tax (3 - 4)		(7,44,86,726)	(14,01,57,581)
6 Tax expense:			
Current tax expense for current year		-	-
Current tax expense relating to prior years		-	-
Deferred tax	29	(17,01,035)	(2,68,347)
		(17,01,035)	(2,68,347)
7 Profit / (Loss) for the year (5 - 6)		(7,27,85,689)	(13,98,89,234)
8 Earnings per share (of ₹ 10/- each):	28		
(a) Basic		(2.10)	(4.04)
(b) Diluted		(2.10)	(3.91)
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, 2015

For and on behalf of the Board of Directors

Prashant Mehra
Managing Director**Mahesh Mehra**
Whole-time Director**Tarak Nath Mishra**
CFO**Tarkeshwar Singh**
Company Secretary

Cash Flow Statement for the year ended 31 March, 2015

(Amount in ₹)

PARTICULARS	For the year ended 31st March, 2015	For the year ended 31st March, 2014
A. Cash flow from operating activities		
Net Profit / (Loss) before extraordinary items and tax	(7,44,86,726)	(14,01,57,581)
<u>Adjustments for:</u>		
Depreciation and amortisation	88,71,729	35,77,470
Finance costs	6,57,50,012	6,34,00,569
Interest income	(15,60,646)	(21,52,408)
Operating profit / (loss) before working capital changes	(14,25,630)	(7,53,31,950)
<u>Changes in working capital:</u>		
<u>Adjustments for (increase) / decrease in operating assets:</u>		
Inventories	8,00,980	30,73,686
Trade receivables	(1,59,59,116)	18,65,65,003
Short-term loans and advances	4,14,32,473	1,59,37,160
Long-term loans and advances	(1,50,85,510)	37,15,430
Other current assets	4,42,674	22,27,890
Adjustments for increase / (decrease) in operating liabilities:		
Other long term liabilities	—	—
Long term provisions	5,000	5,000
Trade payables	(6,38,66,662)	(19,12,80,399)
Other current liabilities	2,33,78,190	2,67,24,413
Short-term provisions	—	—
Cash flow from extraordinary items	—	—
Cash generated from operations	(3,02,77,601)	(2,83,63,767)
Net income tax (paid) / refunds	(73,60,851)	(4,66,436)
Net cash flow from / (used in) investing activities (A)	(3,76,38,452)	(2,88,30,203)
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	(73,107)	—
Proceeds from sale of Fixed Assets	—	—
Bank balances not considered as Cash and cash equivalents		
- Placed	—	—
- Matured	50,76,047	(42,13,247)
Purchase of long-term investments		
- Others	(46,000)	(26,000)
Loans & Advances given		
- Subsidiaries & Step down subsidiaries	3,53,70,295	(88,16,931)
- Joint Ventures	(1,16,477)	(1,42,616)
Interest received		
- Others	15,60,646	21,52,408
Cash flow from extraordinary items	—	—
Net cash flow from / (used in) investing activities (B)	4,17,71,404	(1,10,46,386)

Cash Flow Statement for the year ended 31 March, 2015 (Contd.)

PARTICULARS	(Amount in ₹)	
	For the year ended 31st March, 2015	For the year ended 31st March, 2014
C. Cash flow from financing activities		
Proceeds from issue of share warrants	—	(12,34,95,000)
IPO Share Application Money transferred	1,63,680	—
Proceeds from conversion of share warrants into shares	—	16,52,75,000
Net increase / (decrease) in working capital borrowings	6,11,25,580	5,88,27,247
Finance cost	(6,57,50,012)	(6,34,00,569)
Cash flow from extraordinary items	—	—
Net cash flow from / (used in) financing activities (C)	(44,60,752)	3,72,06,678
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	(3,27,800)	(26,69,911)
Cash and cash equivalents at the beginning of the year	28,61,748	55,31,659
Cash and cash equivalents at the end of the year	25,33,948	28,61,748
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet (Refer Note 16)	1,60,40,538	2,16,08,065
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	1,35,06,590	1,85,82,637
IPO refund account	—	1,63,680
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 16	25,33,948	28,61,748
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 *	25,33,948	28,61,748
* Comprises:		
(a) Cash on hand	24,74,869	25,69,556
(c) Balances with banks		
(i) In current accounts	59,079	2,92,192
(ii) In deposit accounts with original maturity of less than 3 months	—	—
	25,33,948	28,61,748

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, 2015

For and on behalf of the Board of Directors

Prashant Mehra
Managing Director

Maresh Mehra
Whole-time Director

Tarak Nath Mishra
CFO

Tarkeshwar Singh
Company Secretary

Notes forming part of the financial statements

Note 1: CORPORATE INFORMATION

Kaushalya Infrastructure Development Corporation Limited (the company) is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on the 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 carries on the business in hotel segment, 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 as prescribed under Section 133 of the Companies Act, 2013('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act(to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The financial statements have been prepared on accrual basis under 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

i) Tangible Fixed Assets

- a) Depreciation is provided from the date the assets are ready to be put to use, on straight line method as per the useful life of the assets as prescribed under Part C of Schedule II of the Companies Act, 2013 except for the Plant & Machinery and Cycles purchased before FY 2004-05 where the management has estimated that there were no useful life of the aforementioned assets and thus differs from the useful life prescribed under the Act.

For the aforementioned assets, the company has charged amount of ₹ 40,43,060/- as depreciation in statement of profit & loss instead of deducting it from retained earnings for fair & better presentation of financial statements.

2.7 Revenue recognition

Income from services

Revenues from contracts priced on a time and material basis are recognized when services are rendered and related costs are incurred. Revenues from turnkey contracts, which are generally time bound fixed price contracts, are recognized 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 recognized when probable.

Notes forming part of the financial statements (Contd.)

Revenues from maintenance contracts are recognized 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 ₹ 6,08,33,560/- in the financial year 2014-15, an amount of ₹ 5,94,17,000/- is pending for certification.

Income from Hotel

Income from hotel is recognized on accrual basis. Profit before depreciation from hotel business is recognized as income in statement of profit and loss. Depreciation and Taxes related to Hotel Business is shown under respective heads of statement of profit and loss.

2.8 Other income

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

Maintenance & Hire Charges : Income from Maintenance and Hire Charges is recognized on accrual basis.

2.9 Tangible Fixed Assets

Fixed assets are carried at cost less accumulated depreciation. The cost of fixed assets comprises its purchase price, directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition or construction of qualifying fixed assets, up to the date the asset is ready for its intended use. Subsequent expenditure on fixed assets after its purchase/completion is capitalised only if such expenditure results in an increase in the future benefits from such assets beyond its previously assessed standard of performance.

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 in Lands are carried individually at cost less accumulated depreciation and impairment, if any.

2.11 Employee Benefits

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

As per Accounting Standard (AS) 17 on "Segment Reporting", segment information has been provided under the Notes to Consolidated Financial Statements.

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

Notes forming part of the financial statements (Contd.)

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. Deferred tax assets are recognized for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realized. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognized only if there is virtual certainty that there will be sufficient future taxable income available to realise the assets.

2.16 Joint Venture Operations

In respect of contracts executed in Integrated Joint Ventures under profit sharing arrangement (assessed as AOP under Income tax laws), the services rendered to the Joint Ventures are accounted as income on accrual basis. The profit / loss is accounted for, as and when it is determined by the Joint Venture and the net investment in the Joint Venture is reflected as investments, loans & 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. Contingent assets are not recognised in the financial statements.

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 Operating Cycle:

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

2.21 Advances to Subsidiaries :

The amount of ₹ 482,462,888/- in aggregate is standing as advance to its subsidiaries & associates at the balance sheet date out of which advances to the tune of ₹ 480,986,485/- is outstanding, which was advanced for purchase of land by the subsidiaries & associates made under agreement. The Company had entered into agreements with Kaushalya Township (P) Ltd., Kaushalya Nirman (P) Ltd. and Orion Abasaan (P) Ltd. that whenever they will sell land or developed land or project on the land the Company's interest shall be safeguarded as per the terms of the agreement.

Notes forming part of the financial statements (Contd.)

(Amount in ₹)

Note 3 : SHARE CAPITAL

Particulars	As at 31 March, 2015		As at 31 March, 2014	
	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
	<u>3,50,00,000</u>	<u>35,00,00,000</u>	<u>3,50,00,000</u>	<u>35,00,00,000</u>
(b) Issued				
Equity shares of ₹ 10/- each with voting rights	3,46,30,630	34,63,06,300	3,46,30,630	34,63,06,300
	<u>3,46,30,630</u>	<u>34,63,06,300</u>	<u>3,46,30,630</u>	<u>34,63,06,300</u>
(c) Subscribed and fully paid up				
Equity shares of ₹ 10/- each with voting rights	3,46,30,630	34,63,06,300	3,46,30,630	34,63,06,300
Total	<u>3,46,30,630</u>	<u>34,63,06,300</u>	<u>3,46,30,630</u>	<u>34,63,06,300</u>

Refer Notes (i) to (iii) 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, 2015				
- Number of shares	3,46,30,630	-	-	3,46,30,630
- Amount (₹)	34,63,06,300	-	-	34,63,06,300
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

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

Particulars	As at 31 March, 2015		As at 31 March, 2014	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Class of shares / Name of shareholder				
Equity shares with voting rights				
Mahanti Engineers Pvt. Ltd.	50,82,600	14.68	50,82,600	14.68
Sunkissed Merchandise Pvt. Ltd.	50,22,900	14.50	50,22,900	14.50
Keleenworth Marketing Pvt. Ltd.	43,36,350	12.52	43,36,350	12.52
Total	<u>1,44,41,850</u>	<u>41.70</u>	<u>1,44,41,850</u>	<u>41.70</u>

(iii) Rights, preferences and restrictions attached to equity shares:

The Company has issued only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share held. The dividend, if any, proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Notes forming part of the financial statements (Contd.)

(Amount in ₹)

Note 4 : RESERVES & SURPLUS

Particulars	As at 31 March, 2015	As at 31 March, 2014
(a) Securities premium account		
Opening balance	47,93,84,836	47,93,84,836
Add : Premium on shares issued during the year	-	-
Less : Utilised during the year for:	-	-
Closing balance	47,93,84,836	47,93,84,836
(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	4,93,52,176	18,92,41,410
Add: Profit / (Loss) for the year	(7,27,85,689)	(13,98,89,234)
Closing balance	(2,34,33,513)	4,93,52,176
Total	50,44,38,344	57,72,24,033

Note 5 : OTHER LONG TERM LIABILITIES

Particulars	As at 31 March, 2015	As at 31 March, 2014
Advances from Related Parties		
Joint Venture & Associates	94,03,503	95,19,980
Total	94,03,503	95,19,980

Note 6 : LONG TERM PROVISIONS

Particulars	As at 31 March, 2015	As at 31 March, 2014
Provision for Employee Benefits - Gratuity	8,46,411	8,41,411
Total	8,46,411	8,41,411

Notes forming part of the financial statements (Contd.)

Note 7 : SHORT TERM BORROWINGS (Amount in ₹)

Particulars	As at 31 March, 2015	As at 31 March, 2014
Loan Repayable on Demand		
(a) Cash Credit From Banks		
Secured		
(i) State Bank of India*	29,64,03,282	25,69,03,947
(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	31,83,06,373	29,66,80,128
(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	61,47,09,655	55,35,84,075

* Also refer Note 32(e)

Note 8 : TRADE PAYABLES

Particulars	As at 31 March, 2015	As at 31 March, 2014
Acceptances	-	-
Other than Acceptances	13,08,43,498	19,47,10,159
Total	13,08,43,498	19,47,10,159

Note 9 : OTHER CURRENT LIABILITIES

Particulars	As at 31 March, 2015	As at 31 March, 2014
Statutory Remittances	2,00,87,258	1,15,30,993
Advances from customers/ contractors	9,18,05,934	7,68,20,329
Share Application Money Due for refund	-	1,63,680
	11,18,93,192	8,85,15,002

Note 10 : SHORT TERM PROVISIONS

Particulars	As at 31 March, 2015	As at 31 March, 2014
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 (Contd.)

(Amount in ₹)

Note 11 : FIXED ASSETS

Particulars	Gross Block				Depreciation				Net Block	
	As at 01.04.2014	Additions	Deductions	Total	Upto 31.03.2014	For the Year	Sales/ Adjustments	Total	As at 31.03.2015	As at 31.03.2014
TANGIBLE ASSETS										
(a) Buildings										
Own use	99,93,919	-	-	99,93,919	18,36,168	1,54,053	-	19,90,221	80,03,698	81,57,751
Construction	1,07,298	-	-	1,07,298	1,07,298	-	-	1,07,298	-	-
Hotel	98,86,621	-	-	98,86,621	17,28,870	1,54,053	-	18,82,923	80,03,698	81,57,751
(b) Plant and Equipment										
Owned	6,54,67,460	-	-	6,54,67,460	2,60,80,304	80,80,310	-	3,41,60,614	3,13,06,846	3,93,87,156
Construction	6,46,71,342	-	-	6,46,71,342	2,56,56,067	77,41,701	-	3,33,97,768	3,12,73,574	3,90,15,275
Hotel	7,96,118	-	-	7,96,118	4,24,237	3,38,609	-	7,62,846	33,272	3,71,881
(c) Furniture and Fixtures										
Owned	47,42,753	19,879	-	47,62,632	38,39,319	5,75,750	-	44,15,069	3,47,563	9,03,434
Construction	19,85,707	19,879	-	20,05,586	10,82,273	5,75,750	-	16,58,023	3,47,563	9,03,434
Hotel	27,57,046	-	-	27,57,046	27,57,046	-	-	27,57,046	-	-
(d) Vehicles										
Owned	76,27,741	-	-	76,27,741	74,67,780	46,684	-	75,14,464	1,13,277	1,59,961
Construction	76,16,183	-	-	76,16,183	74,56,222	46,684	-	75,02,906	1,13,277	1,59,961
Hotel	11,558	-	-	11,558	11,558	-	-	11,558	-	-
(e) Office equipment										
Owned	9,81,084	53,228	-	10,34,312	9,81,084	14,932	-	9,96,016	38,296	-
Construction	9,44,534	53,228	-	9,97,762	9,44,534	14,932	-	9,59,466	38,296	-
Hotel	36,550	-	-	36,550	36,550	-	-	36,550	-	-
Total (₹)	8,88,12,957	73,107	-	8,88,86,064	4,02,04,655	88,71,729	-	4,90,76,384	3,98,09,680	4,86,08,302
Previous Year (₹)	8,88,12,957	-	-	8,88,12,957	3,66,27,185	35,77,470	-	4,02,04,655	4,86,08,302	5,21,85,772

Notes forming part of the financial statements (Contd.)

Note 12 : NON CURRENT INVESTMENTS

(Amount in ₹)

		As at 31 March, 2015		As at 31 March, 2014	
A. Trade Investments	FV	Nos.	₹	Nos.	₹
(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 Township Pvt. Ltd.	10	3,17,357	1,55,07,850	3,17,357	1,55,07,850
Total (A)		6,16,857	1,85,02,850	6,16,857	1,85,02,850
(ii) <u>Associates</u>					
Kaushalya Nirman Pvt. Ltd.	10	46,000	19,40,000	46,000	19,40,000
Orion Abasaan Pvt. Ltd.	10	29,000	10,90,000	29,000	10,90,000
Total (B)		75,000	30,30,000	75,000	30,30,000
(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	2,600	26,000
Total (C)		12,79,700	12,34,36,000	12,79,700	12,34,36,000
Total (A) + (B) + (C)		19,71,557	14,49,68,850	19,71,557	14,49,68,850
(b) Investment in Land			2,66,07,000		2,65,61,000
			2,66,07,000		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			17,20,55,115		17,20,09,115
Aggregate value of unquoted Investments			14,49,68,850		14,49,68,850

Notes forming part of the financial statements (Contd.)

(Amount in ₹)

Note 13 : LONG TERM LOANS AND ADVANCES

Particulars	As at 31 March, 2015	As at 31 March, 2014
Unsecured and considered good		
Security Deposits & Earnest Money Deposits	14,62,98,195	13,21,76,322
Mobilization Advances	-	-
Advance to Body Corporates	94,44,572	84,80,935
Advances to Related Parties		
Subsidiary & Associates Companies	48,09,86,485	51,77,36,695
Step Down Subsidiaries	14,76,403	96,488
Total	63,82,05,655	65,84,90,440

Note (i) Long Term Loans and Advances includes due from

Particulars	As at 31 March, 2015	As at 31 March, 2014
Other officers of the Company	10,89,85,241	11,23,91,707
Private companies in which any director is a director*	11,97,08,639	12,06,42,224
Private companies in which any director is a member*	20,44,41,228	22,59,22,822
Total	43,31,35,108	45,89,56,753

* The entire amount is due from subsidiaries companies.

Note 14 : INVENTORIES

Particulars	As at 31 March, 2015	As at 31 March, 2014
Raw Materials	58,26,143	66,08,800
Work in Progress		
- Construction Work in Progress	41,04,085	41,04,085
Stores & Spares	14,537	32,860
Total	99,44,765	1,07,45,745

Note 15 : TRADE RECEIVABLES

Particulars	As at 31 March, 2015	As at 31 March, 2014
Unsecured, considered good		
Overdue for a period exceeding six months	73,75,06,104	67,01,25,891
Other Trade Receivables	4,21,33,560	9,35,54,657
Total	77,96,39,664	76,36,80,548

Notes forming part of the financial statements (Contd.)

			(Amount in ₹)
Note 16 : CASH AND CASH EQUIVALENTS			
Particulars	As at 31 March, 2015	As at 31 March, 2014	
(a) Cash on hand (as certified by the management)	24,74,869	25,69,556	
(b) Balances with banks			
(i) In current accounts	59,079	2,92,192	
(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)	1,35,06,590	1,85,82,637	
Share application money received for allotment of securities and due for refund	-	1,63,680	
	1,60,40,538	2,16,08,065	
Of the above, the balances that meet the definition of cash and cash equivalents as per AS 3 Cash Flow Statements is	25,33,948	28,61,748	

Notes:

- (i) Includes deposits amounting to ₹ 1,744,007/- (As at 31 March, 2014 ₹ 17,941,708/-) which have an original maturity of more than 12 months.
- (ii) Includes interest of ₹ 7,25,511/-

Note 17 : SHORT TERM LOANS AND ADVANCES

Particulars	As at 31 March, 2015	As at 31 March, 2014
Unsecured, considered good		
Advances to Suppliers & Subcontractors	1,03,16,173	2,65,73,391
Advances to Employees	4,61,381	4,37,019
Advance against Expenses	77,778	2,51,57,779
Balances with government authorities		
Income Tax Payments	12,12,09,173	11,38,48,322
Secured, considered good		
Prepaid Expenses	3,66,149	4,85,764
Total	13,24,30,654	16,65,02,275

Note 18 : OTHER CURRENT ASSETS

Particulars	As at 31 March, 2015	As at 31 March, 2014
Accruals		
Interest accrued on deposits	81,692	5,24,364
Total	81,692	5,24,364

Note 19 : REVENUE FROM OPERATIONS

Particulars	For the year Ended 31st March, 2015	For the year Ended 31st March, 2014
Sale of Services (Gross)		
Contract Receipts	6,08,33,560	15,77,35,831
Other Operating Revenues		
Profit from Hotel before depreciation & taxes (Refer Note 19A)	14,838	3,62,511
	6,08,48,398	15,80,98,342
Less : Service Tax	40,17,000	59,30,597
Total	5,68,31,398	15,21,67,745

Notes forming part of the financial statements (Contd.)

Note 19A: PROFIT FROM HOTEL BUSINESS

Particulars	(Amount in ₹)	
	For the year Ended 31st March, 2015	For the year Ended 31st March, 2014
REVENUE FROM OPERATIONS		
Food Sale	3,48,991	2,62,187
Room Rent	6,35,745	4,72,194
Service Income	-	125
Cultivation Income	2,49,955	4,02,700
Agricultural Income	1,70,000	
Total (A)	14,04,691	11,37,206
EXPENDITURE		
Raw Food Purchased	2,09,462	1,49,079
Fuel (Cooking)	34,134	33,112
Repairs & Maintenance - Buildings	2,43,783	54,632
Transport Expenses	3,280	810
Stores	30,683	12,823
Employee Benefits		
Salary	1,07,400	26,100
Site Allowance	18,600	5,400
Administrative & Other Expenses		
Bank Charges	1,812	550
Books & Periodicals	1,880	1,683
Commission Charges	750	-
Electricity Charges	1,73,437	88,300
Cultivation Expenses	1,27,115	2,03,450
General Expenses	40,179	18,396
Gardening Expenses	97,332	27,734
Interest on Delay Payment of Vat	1,193	-
Medical Expenses	150	250
Labour Charges incl. Allowances	1,94,300	76,050
Laundry Expenses	11,186	5,056
Legal & Professional Charges	-	9,000
Postage/Fax/Courier	910	120
Printing & Stationery	2,215	-
Rates & Taxes	18,150	3,200
Security Expenses	51,000	49,000
Subscription	7,552	7,204
Telephone Expenses	30	-
Travelling & Conveyance	13,320	2,746
Total (B)	13,89,853	7,74,695
Profit/(Loss) before Depreciation and Taxes(A-B)	14,838	3,62,511

Notes forming part of the financial statements (Contd.)

Note 20 : OTHER INCOME

(Amount in ₹)

Particulars	For the year Ended 31st March, 2015	For the year Ended 31st March, 2014
Interest Income		
Interest from Bank on Deposits	15,60,646	21,52,408
Income from Maintenance Work	26,50,000	-
Sundry Credit balance W/off	22,51,496	-
Hire Charges	20,87,000	13,78,885
Prior Period Income	7,200	-
Miscellaneous Income	83,360	-
(Net of expenses directly attributable Rs. Nil Prev. Year Rs. Nil)		
Total	86,39,702	35,31,293

Note 21a : COST OF MATERIAL CONSUMED

Particulars	For the year Ended 31st March, 2015	For the year Ended 31st March, 2014
Opening stock	66,41,660	97,15,346
Add: Purchases	1,72,63,600	7,74,73,396
	2,39,05,260	8,71,88,742
Less: Closing stock	58,40,680	66,41,660
Cost of material consumed	1,80,64,580	8,05,47,082

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

Particulars	For the year Ended 31st March, 2015	For the year Ended 31st March, 2014
Inventories at the beginning of the year:		
- Work-in-progress	41,04,085	41,04,085
	41,04,085	41,04,085
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	-	-

Notes forming part of the financial statements (Contd.)

(Amount in ₹)

Note 22 : EMPLOYEE BENEFIT EXPENSES

Particulars	For the year Ended 31st March, 2015	For the year Ended 31st March, 2014
Salary, Allowances & Bonus	40,78,964	41,43,371
Directors' Remuneration	27,30,000	25,20,000
Contribution to PF, ESI & Other Funds	46,872	50,288
Staff Welfare	4,80,609	3,83,052
Employee Retirement Benefits	5,000	5,000
	73,41,445	71,01,711

Note 23 : FINANCE COSTS

Particulars	For the year Ended 31st March, 2015	For the year Ended 31st March, 2014
(a) Interest expense on:		
(i) Borrowings	6,22,46,790	5,73,39,291
(ii) Delayed/Deferred payment of taxes	1,82,524	2,55,457
(b) Other borrowing costs	33,20,698	58,05,821
	6,57,50,012	6,34,00,569

Note 24 : OTHER EXPENSES

Particulars	For the year Ended 31st March, 2015	For the year Ended 31st March, 2014
Contract Operating Expenses		
Consumption of Stores & Spare Parts	20,86,582	19,57,144
Unrecoverable Works Contract	64,23,305	6,57,13,930
Hire Charges	73,650	34,26,065
Labour Charges & Allowances	1,67,32,028	3,54,81,567
Power & Fuel	4,93,367	3,33,212
Repairs & Maintenance- Machinery	11,85,275	7,13,377
Freight Charges	45,450	65,320
Service Tax	-	65,83,749
Works Contract Tax	5,20,041	86,86,814
Survey Charges	-	29,650
	2,75,59,698	12,29,90,828

Notes forming part of the financial statements (Contd.)

(Amount in ₹)

Note 24 : OTHER EXPENSES (Contd.)

Particulars	For the year Ended 31st March, 2015	For the year Ended 31st March, 2014
Administrative Expenses		
Rent	12,86,565	12,70,850
Rates & Taxes	5,54,743	5,41,966
Insurance	33,254	77,535
Consultancy & Professional Charges	11,64,301	14,83,718
Directors' Sitting Fee	1,57,500	83,000
Electricity Charges	2,71,203	2,44,871
Post, Telegraph, Telephone & Internet	5,27,715	4,68,550
Travelling & Conveyance	7,26,297	8,35,015
Printing & Stationery	3,57,156	3,22,922
Payment to Auditors		
- As Audit Fees	84,270	84,270
- As Tax Audit Fees	28,090	28,090
- For Certification	-	9,552
Prior Period Expenses	62,324	-
Miscellaneous Expenses	2,42,644	1,59,300
	54,96,062	56,09,639
Selling & Distribution Expenses		
Advertisement	1,42,915	1,35,550
Subscription	11,790	13,521
	1,54,705	1,49,071
Other Expenses		
Sundry Debit/ (Credit) Balance W/Off	67,19,593	1,24,80,250
	67,19,593	1,24,80,250
Total	3,99,30,058	14,12,29,788

Notes forming part of the financial statements (Contd.)

Note 25 : ADDITIONAL INFORMATION OF THE FINANCIAL STATEMENTS

25.1 : Contingent Liabilities and Commitments to the extent not provided for

(Amount in ₹)

Sl. No.	Particulars	As on 31.03.2015	As on 31.03.2014
1.	a. Performance guarantees issued by the banks to various Government Authorities, for which the Company has provided counter guarantee against which fixed deposit receipts have been pledged by the Company.	50,297,983	47,623,983
	b. Performance Guarantee issued on behalf of other company against which fixed deposit receipts have been pledged by the Company	8,674,000	8,674,000
	c. Bank Interest Reversed	4,542,695	Nil
2.	Claims not acknowledged as debts		
	Income Tax Demand (Assessment Year 2004-05)	Nil	3,771,602
	Income Tax Demand (Assessment Year 2005-06)	90,875	72,381
	Income Tax Demand (Assessment Year 2006-07)	Nil	923,573
	Income Tax Demand (Assessment Year 2007-08)	2,846,864	4,098,684
	Income Tax Demand (Assessment Year 2009-10)	3,026,950	Nil
	Income Tax Demand (Assessment Year 2010-11)	3,761,030	3,761,030
	Income Tax Demand (Assessment Year 2011-12)	190,580	4,165,834
	Income Tax Demand (Assessment Year 2012-13)	5,142,880	259,290

25.2 : 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.

25.3 : 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 such parties)

The loans and advances in the nature of advances given by the company to its Subsidiaries and Associates, amounts to ₹ 482,462,888/-, in aggregate as on 31st March 2015. 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 31.03.2015	Maximum Balance 2014-15	Balance as at 31.03.2014	Maximum Balance 2013-14
1	Bengal Kaushalya Nirman Ltd.	Nil	40,600	38,000	38,000
2	Bengal KDC Housing Development Ltd.	118,232,236	119,131,586	119,128,986	131,759,986
3	Kaushalya Energy (P) Ltd.	Nil	2,600	Nil	3,395,100
4	Kaushalya Nirman (P) Ltd.	49,327,780	58,876,430	58,876,430	67,083,317
5	Azur Solar KDC (P) Ltd.	1,476,403	1,476,403	1,475,238	1,475,238
6	Kaushalya Township (P) Ltd.	204,441,222	225,922,822	225,922,822	261,727,246
7	Orion Abasaan (P) Ltd.	108,985,241	112,391,707	112,391,707	113,091,707

Notes forming part of the financial statements (Contd.)

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

Name of the subsidiary	As at 31 March, 2015	As at 31 March, 2014
	Nil	Nil

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

Particulars	For the year Ended 31st March, 2015	For the year Ended 31st March, 2014
Traveling and Conveyance	Nil	Nil
Loss in repayment of Term Loan	Nil	Nil

25.5 : Details of consumption of imported and indigenous items

Particulars	For the year ended 31st March, 2015		For the year ended 31st March, 2014	
	Amount (₹)	%	Amount (₹)	%
Indigenous				
Raw Material	18,064,580	100	80,547,082	100
Components	Nil	Nil	Nil	Nil
Spare Parts	2,086,522	100	1,957,144	100
Imported				
Raw Material	Nil	Nil	Nil	Nil
Components	Nil	Nil	Nil	Nil
Spare Parts	Nil	Nil	Nil	Nil

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

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

25.8 : 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 ₹ 779,639,664/-, an amount of ₹ 737,506,104/- is outstanding since long, and out of which several debtors are under dispute.

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

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

i. Sundry Creditors	₹	20,66,122/-
ii. Security Deposit	₹	1,373/-
iii. Statutory Dues	₹	376/-
iv. Cash & cash equivalents	₹	10,224/-
v. Liability for Expenses	₹	1,08,401/-
vi. Advance to suppliers & contractors	₹	65,000/-

Notes forming part of the financial statements (Contd.)

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

i. Advance to suppliers & contractors	₹	53,24,213/-
ii. Advance for Expenses	₹	10,000/-
iii. Security Deposit	₹	12,91,955/-
iv. Cash & cash equivalents	₹	58,425/-
v. Advance for projects	₹	35,000/-

c. Short-term Advances:

The Company had advanced a net amount of ₹ 34,474,964/- to Flare Realty Engineers Private Limited, for meeting its working capital requirements. However, the work for execution of part of the work at Sardasahar, Rajasthan of Nagar Palika project was awarded to the Company. Thereafter, Flare Realty Engineers Private Limited asked for security deposit against the said work and requested to transfer the working capital advance to Security Deposit. The Company has accepted the condition and agreed to transfer the working capital advance to Security Deposit.

Note 25.9 : 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 ₹ 1,59,43,004/-, payable in two equal installments on or before 31st Dec, 2013 and 30th June, 2014 respectively. The company has paid ₹ 79,72,657/- i.e 50% of declared liability till date. In, the mean time, the Company has received a show cause cum demand notice from Service Tax Commissionerate, Kolkata for ₹ 4,21,84,307/- for the said period. However, the hearing of the matter is still pending.
- Apart from the afore-mentioned amount due under VCES, 2013, the balance amount of Service Tax which is due to be paid is ₹ 1,04,51,981/-
- An amount of ₹ 14,01,229/- 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 25.10 : Dilution of holding:

- During the current financial year, the shareholding of the company has diluted in one of its subsidiary : Kaushalya Township Private Limited in which shareholding reduced from 73.49% to 48.69%. However, Kaushalya Township Private Limited continue to be the step-down subsidiary of the company as the company holds more than 50% of the shareholding through its other subsidiary.
- Details of companies which have cease as subsidiary and become associates during the year under review as under:
 - Orion Abasaan Private Limited by reducing shareholding from 72.50% to 48.33% on 28th day of March, 2015
 - Kaushalya Nirman Private Limited by reducing shareholding from 68.66% to 46% on 31st ay Day of March, 2015

Note 25.11 : Fixed Deposits:

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

Note 25.12 : Interest on credit cards:

The company has paid interest to the tune of ₹ 1,67,381/- on delayed payment of credit cards of the directors.

Notes forming part of the financial statements (Contd.)

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

Related Party Disclosures as required by AS 18 issued by ICAI

I. Parties Where Control Exists

Subsidiaries

- 1 Bengal Kaushalya Nirman Ltd.
- 2 Bengal KDC Housing Development Ltd.
- 3 Kaushalya Energy (P) Ltd.

Step Down Subsidiaries

- 4 Kaushalya Township (P) Ltd.
- 5 Azur Solar KDC (P) Ltd.

II. Joint Ventures

Jointly Controlled Entities

- 1 KIDCO - NACC

III. Associates

- 1 Kaushalya Nirman (P) Limited
- 2 Orion Abasaan (P) Limited

IV. Key Management Personnel :

- 1 Mr. Prashant Mehra, Managing Director
- 2 Mr. Ramesh Kumar Mehra, Chairman
- 3 Mr. Mahesh Mehra, Whole-time Director
- 4 Mr. Parag Keshar Bhattacharjee, Independent Director
- 5 Mr. Rajesh Kumar Agarwal, Independent Director
- 6 Mrs. Minoti Nath, Women Independent Director

V. Other Related Parties with whom the company had transactions during the year

Relatives of Key Management Personnel :

- 1 Mr Kartik Mehra
- 2 Mr Karan Mehra
- 3 Mrs. Neeru Mehra
- 4 Ramesh Kumar Mehra HUF

VI. Transactions with Related Parties

(Amount in ₹)

Sl. No.	Type of Transactions	2014-15			2013-14		
		Subsidiaries/ Associates/JV	Key Mgt Personnel	Relatives of KMP	Subsidiaries JV	Key Mgt Personnel	Relatives of KMP
(a)	Valued of Services Received		2,770,500	960,000		2,538,000	960,000
	Directors Remuneration						
	- Prashant Mehra		1,590,000			1,380,000	
	- Mahesh Mehra		1,140,000			1,140,000	
	Sitting Fees						
	- Ramesh Mehra		40,500			18,000	
	Salary						
	- Kartik Mehra			480,000			480,000
	- Karan Mehra			480,000			480,000

Notes forming part of the financial statements (Contd.)

Sl. No.	Type of Transactions	2014-15			2013-14		
		Subsidiaries/ Associates/JV	Key Mgt Personnel	Relatives of KMP	Subsidiaries JV	Key Mgt Personnel	Relatives of KMP
(b)	Rent Paid			600,000		-	600,000
	Rent						
	- Neeru Mehra	-	-	600,000	-		600,000
(c)	Money Recd. Agst Warrants	-	-	-	-	265,000	455,000
						265,000	455,000 (Relatives) 41,185,000 (Others)
(d)	Advances Given	12,643,477	-	-	97,986,011		
	- Bengal Kaushalya Nirman Ltd.	2,600			-		
	- Bengal KDC Housing Dev. Ltd.	3,250			-		
	- Kaushalya Energy (P) Ltd.	2,600			64,100		
	- Kaushalya Nirman (P) Ltd.	1,350			1,600,400		
	- Kaushalya Township (P) Ltd.	11,344,950			31,856,900		
	- Orion Abasaan (P) Ltd.	571,650			62,943,245		
	- Azur Solar KDC (P) Ltd.	600,600			1,378,750		
(e)	Advances received back during the year	47,897,295			89,026,464		
	- Bengal Kaushalya Nirman Ltd.	40,600			-		
	- Bengal KDC Housing Dev. Ltd.	900,000			12,631,000		
	- Kaushalya Energy (P) Ltd.	2,600			3,395,100		
	- Kaushalya Nirman (P) Ltd.	9,550,000			9,807,287		
	- Kaushalya Township (P) Ltd.	32,826,544			57,968,077		
	- Orion Abasaan (P) Ltd.	3,978,116			5,225,000		
	- Azur Solar KDC (P) Ltd.	599,435					
(f)	Advance Repaid						
	- KIDCO NACC JV	116,477			142,616		
(g)	Balance Receivable as at 31.03.2015	482,462,888			517,833,183		
	- Bengal Kaushalya Nirman Ltd.	-			38,000		
	- Bengal KDC Housing Dev. Ltd.	118,232,236			119,128,986		
	- Kaushalya Nirman (P) Ltd.	49,327,780			58,876,430		
	- Kaushalya Township (P) Ltd.	204,441,228			225,922,822		
	- Orion Abasaan (P) Ltd.	108,985,241			112,391,707		
	- Azur Solar KDC (P) Ltd.	1,476,403			1,475,238		
(h)	Balance Payable as at 31.03.2015	9,403,503			9,519,980	186,842	119,555
	- Prashant Mehra				-	168,842	
	- Ramesh Mehra				-	18,000	
	- Neeru Mehra						45,000
	- Kartik Mehra						36,505
	- Karan Mehra						38,050
	- KIDCO NACC JV	9,403,503			9,519,980		

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

Notes forming part of the financial statements (Contd.)

Note 28: Earning Per Shares

Year Ended 31.03.2015

(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 attributable to Eq. Shareholders	(72,785,689)	(72,785,689)	(72,785,689)	(72,785,689)	0	0	0	0	(72,785,689)	(72,785,689)	(72,785,689)	(72,785,689)
Weighted Average No. of Shares	34,630,630	34,630,630	34,630,630	34,630,630	34,630,630	34,630,630	34,630,630	34,630,630	34,630,630	34,630,630	34,630,630	34,630,630
EPS (₹)	(2.10)	(2.10)	(2.10)	(2.10)	-	-	-	-	(2.10)	(2.10)	(2.10)	(2.10)

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 attributable to Eq. Shareholders	(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)

Note 29: Deferred Tax Assets/(Liability)

(Amount in ₹)

	31.03.2015		31.03.2014	
	Timing Difference		Timing Difference	
On Account of Depreciation				
- Net Block as per I T Act	20,465,013		23,758,665	
- Net Block as per Cos. Act	39,809,680	(19,344,668)	48,608,302	(24,849,637)
On Account of Employee Benefits		841,411		841,411
		(18,503,257)		(24,008,226)
Effective Rate of Tax		30.90%		30.90%
Deferred Tax Asset/(Liability)		(5,717,507)		(7,418,542)
Less : Deferred Tax Liability b/f		(7,418,542)		(7,686,889)
Deferred Tax Provision		(1,701,035)		(268,347)

Deferred tax assets on unabsorbed depreciation and carry forward of losses has not been recognized since the management is of the opinion that there is no virtual certainty that there will be sufficient future taxable income available against which such deferred tax assets can be realized.

Notes forming part of the financial statements (Contd.)

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, 2015					
		Assets	Liabilities	Income	Expenditure	Contingent Liabilities	Capital Commitments
New Asian Construction Co., India	90%	10,490,402	11,494,869	-	124,822	Nil	Nil
(Prev. Year)		(10,595,231)	(11,474,877)	-	(270,681)	Nil	Nil

Note 31 : Details of Provisions

Particulars	For the year ended 31.03.2015		For the year ended 31.03.2014	
	Provision for Current Tax	Deferred Tax Liability	Provision for Current Tax	Deferred tax Liability
Balance at the beginning of the year	63,614,019	7,418,542	63,614,019	7,686,889
Provision made during the year	Nil	(1,701,035)	Nil	(268,347)
Paid/Adjusted during the year	Nil	Nil	Nil	Nil
Balance at the end of the year	63,614,019	5,717,507	63,614,019	7,418,542

Note 32: Other information:

a. Projects in hand:

- The company is having three major running projects, construction of integrated school and hostel complex for Westing House Saxby Farmer Ltd., contract value of ₹ 7.25 Cr., Mega Housing project for EWS, LIG & MIG through PPP in Sardarsahar, Rajasthan from Rajasthan Avas Vikas & Infrastructure Ltd. of ₹ 51.66 Cr & Construction of Swarigarh SHP from Utrakhand Jal Vidyut Nigam (awarded to KIDCO-NACC Consortium) contract value ₹ 14.83 Cr. In these projects, revenue to the tune of ₹ 7.60 Crs. has already been recognized upto the year ending 31.03.2015.
- 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.
 - The bankers of the Company are considering a second restructuring which is under review by lead banker The State Bank of India. The SBI has also reversed part of earlier charged interest of ₹ 45.42 lacs in account. This has also resulted/reflected in lower finance cost in last quarter 31.03.2015. However, Bank shall have the right to recompense the reliefs/sacrifices/waivers extended upto this restructuring package.

Note 33 : Previous Year Figures

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, 2015

For and on behalf of the Board of Directors

Prashant Mehra
Managing Director

Maresh Mehra
Whole-time Director

Tarak Nath Mishra
CFO

Tarkeshwar Singh
Company Secretary

Independent Auditor's Report

To the Members of

KAUSHALYA INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED

Report on the Consolidated Financial Statements

1. We have audited the accompanying Consolidated financial statements of **KAUSHALYA INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED** ("the Company"), which comprise the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "consolidated financial statements")

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Holding company and its subsidiaries including its Associates and jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Holding company and of its subsidiaries, associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Holding company and its subsidiaries and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

4. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
7. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated financial statements.

Opinion

8. In our opinion, and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at 31st March, 2015, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Independent Auditor's Report (Contd.)

Other Matters

We did not audit the financial statements of five subsidiaries and one jointly controlled entities, whose financial statements reflect total assets of ₹ 47.83 crores as at 31st March, 2015, total revenues of ₹ 0.05 crores and net cash inflow amounting to ₹ 0.69 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Holding company and its subsidiaries' share of net profit of ₹ 2,674 for the year ended 31st March, 2015, as considered in the consolidated financial statements, in respect of two associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

9. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
- b) In our opinion, proper books of account as required by law relating to preparation of the consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement

dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

- d) In our opinion, the aforesaid Consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate companies incorporated in India, none of the directors of the Holding companies, its subsidiary companies and associate companies incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Holding company, its subsidiaries, its associates and jointly controlled entities – Refer Note 27.1 (2) & 27.9(a) to the financial statements;
 - ii) The Holding company, its subsidiaries, associates and jointly controlled entities did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies and its associate companies incorporated in India.

Place : Kolkata

Date : The 30th day of May, 2015

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

Annexure to Independent Auditors' Report

Referred to in paragraph [9] of the Independent Auditors' Report of even date to the members of Kaushalya Infrastructure Development Corporation Limited on the standalone financial statements for the year ended 31st March 2015

- (i) (a) The company is maintaining proper records in soft copy format showing full particulars, including quantitative details and situations of fixed assets except for the period before Financial year 2004-05.
- (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 on such verification. In our opinion, the frequency of verification is reasonable.
- (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 its nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- (iii) (a) As informed to us, the company have not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 and accordingly the provisions of Clause 3(iii)[(b) and (c)] of the said 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 purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the company and according to the information and explanation given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- (v) The Company have not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) The Central Government has not prescribed cost records u/s 148(1) of the Companies Act, 2013 for any of the activities of the company and accordingly the provisions of Clause 3 (vi) of the order is not applicable to the company.
- (vii) (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, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Value Added Tax, cess and any other statutory dues applicable to it. According to information and explanations given to us, undisputed amounts payable in respect of Service Tax ₹ 1,44,07,638/-, Tax deducted at Source ₹ 25,000/- and ESI ₹ 4,419/- were in arrears as at 31st March, 2015 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and records of the Company examined by us, there are no dues of income- tax, sales Tax, service tax, value added Tax, cess and other material dues which have not been deposited on account of dispute. The particulars of dues of service tax & income tax as at 31st March 2015 which have not been deposited on account of a dispute, are as follows:

(Amount in ₹)

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	0.91	Asst. Year 2005-06	I.T. Appellate Tribunal
Income Tax Act	Income tax	28.47	Asst. Year 2007-08	I.T. Appellate Tribunal
Income Tax Act	Income tax	30.27	Asst. Year 2009-10	I.T. Appellate Tribunal
Income Tax Act	Income tax	37.61	Asst. Year 2010-11	I.T. Appellate Tribunal
Income Tax Act	Income tax	1.91	Asst. Year 2011-12	I.T. Appellate Tribunal

Annexure to Independent Auditors' Report (Contd.)

(Amount in ₹)

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	51.43	Asst. Year 2012-13	Commissioner of Income Tax (Appeals)
Income Tax Act	Interest on TDS & Late Fees	2.46	Asst. Year 2015-16	TDS Circle-II
Income Tax Act	Short Deduction of TDS & Late Fees	3.02	Asst. Year 2014-15	TDS Circle-II
Income Tax Act	Interest & Short Deduction of TDS & Late Fees	3.30	Asst. Year 2013-14	TDS Circle-II
Income Tax Act	Interest on TDS	15.75	Asst. Year 2012-13	TDS Circle-II
Income Tax Act	Interest, Short Payment & Deduction of TDS		Prior Assessment Years	TDS Circle-II

Name of the Statute	Nature of Dues	Amount (in Lacs)	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Service Tax	421.84	From 1st april, 2010- 31st December 2012 under VCES	Service Tax Commissionerate, Kolkata
The WB.VAT Act, 2003	Vat	87.42	Financial Year 2006-07	Revision Board, Kolkata
The WB.VAT Act, 2003	Vat	89.53	Financial Year 2007-08	Revision Board, Kolkata
The WB.VAT Act, 2003	Vat	817.10	Financial Year 2008-09	Revision Board, Kolkata
The WB.VAT Act, 2003	Vat	6.60	Financial Year 2009-10	Sr. Joint Commissioner Appeal, Kolkata
The WB.VAT Act, 2003	Vat	0.35	Financial Year 2010-11	Sr. Joint Commissioner Appeal, Kolkata
The WB.VAT Act, 2003	Vat	65.35	Financial Year 2011-12	Sr. Joint Commissioner Appeal, Kolkata

- (c) According to the information and explanations given to us the company has transferred ₹ 1,63,680/- to the investor education and protection fund in accordance with the relevant provisions of Companies Act, 1956 and rules made thereunder, with the appropriate authorities.
- (viii) The company has accumulated losses as at 31st March, 2015 which is less than fifty percent of the net worth of the Company and it has incurred cash loss of ₹ 6,56,14,996/- in the current year and of ₹ 13,65,80,111/- in the immediately preceding financial year.
- (ix) According to the records of the company examined by us and the information and explanations given to us, the company has defaulted in payment of bank interest of ₹ 45,42,695/- and the same has been reversed by the bank in the month of March. The bankers of the Company are considering a second restructuring which is under review by lead banker (The State Bank of India). The Company has not issued any debentures at balance sheet date.
- (x) 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 banks or financial institution.

Annexure to Independent Auditors' Report (Contd.)

- (xi) The company has not taken any term loans and accordingly the provisions of Clause 3(xi) of the order are not applicable to the company.
- (xii) 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 aforesaid 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, 2015

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

Consolidated Balance Sheet as at 31st March, 2015

		(Amount in ₹)	
PARTICULARS	Note	As at 31st March, 2015	As at 31st March, 2014
EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	34,63,06,300	34,63,06,300
(b) Reserve & Surplus	4	50,02,90,862	57,77,92,947
(c) Money Received against Share Warrants		-	-
		84,65,97,162	92,40,99,247
(2) Non-Current Liabilities			
(a) Long Term Borrowings	5	10,00,000	10,00,000
(b) Deferred Tax Liabilities (Net)	31	57,17,507	74,18,543
(c) Other Long Term Liabilities	6	10,00,40,350	11,19,19,980
(d) Long Term Provisions	7	8,46,411	8,41,411
		10,76,04,268	12,11,79,934
(3) Current Liabilities			
(a) Short Term Borrowings	8	61,47,09,655	55,35,84,075
(b) Trade Payables	9	13,11,02,188	19,49,42,282
(c) Other Current Liabilities	10	12,44,84,918	9,08,67,104
(d) Short Term Provisions	11	6,40,69,349	6,40,85,359
		93,43,66,110	90,34,78,820
(4) Minority Interest		2,14,10,422	96,55,138
TOTAL		1,90,99,77,961	1,95,84,13,139
ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	12	43,72,00,531	56,34,43,432
(b) Non-Current Investments	13	15,37,18,339	15,05,39,265
(c) Long-Term Loans and Advances	14	36,79,77,364	27,50,57,091
(d) Other Non Current Assets	15	17,98,462	6,034
		96,06,94,696	98,90,45,822
(2) Current Assets			
(a) Inventories	16	99,44,765	1,07,45,745
(b) Trade Receivables	17	77,96,39,664	76,36,80,548
(c) Cash & Cash Equivalents	18	2,50,95,127	2,76,40,408
(d) Short Term Loans and Advances	19	13,45,22,018	16,67,76,250
(e) Other Current Assets	20	81,692	5,24,365
		94,92,83,266	96,93,67,316
TOTAL		1,90,99,77,961	1,95,84,13,139
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, 2015

For and on behalf of the Board of Directors

Prashant Mehra
Managing Director

Maresh Mehra
Whole-time Director

Tarak Nath Mishra
CFO

Tarkeshwar Singh
Company Secretary

Consolidated Statement of Profit and Loss for the year ended 31 March, 2015

(Amount in ₹)			
PARTICULARS	Note No.	For the year ended 31st March, 2015	For the year ended 31st March, 2014
1 Revenue from operations (gross)	21	6,08,48,398	15,80,98,342
Less: Service Tax		40,17,000	59,30,597
Revenue from operations (net)		5,68,31,398	15,21,67,745
2 Other income	22	91,66,069	42,87,302
3 Total revenue (1+2)		6,59,97,466	15,64,55,047
4 Expenses			
Cost of Material Consumed	23.a	1,80,64,580	8,05,47,082
Changes in Inventories of finished goods, work-in-progress and stock-in-trade	23.b	-	-
Employee benefits expense	24	73,41,445	71,01,711
Finance costs	25	6,58,86,729	6,35,95,320
Depreciation and amortisation expense	12	91,11,496	37,20,007
Other expenses	26	4,01,67,732	14,14,19,752
Total expenses		14,05,71,983	29,63,83,871
5 Profit / (Loss) before tax (3 - 4)		(7,45,74,516)	(13,99,28,824)
6 Tax expense:			
Current tax expense for current year		-	-
Current tax expense relating to prior years		-	-
Deferred tax	31	(17,01,036)	(2,68,347)
		(17,01,036)	(2,68,347)
7 Profit / (Loss) for the year (5 - 6)		(7,28,73,480)	(13,96,60,477)
8 Less: Minority Interest		6,818	66,044
Add: Share of Profit in Associate		2,674	-
9 Profit / (Loss) for the year (7 - 8)		(7,28,77,625)	(13,97,26,520)
9.1 Earnings per share (of Rs. 10/- each):	30		
(a) Basic		(2.10)	(4.03)
(b) Diluted		(2.10)	(3.90)
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, 2015

For and on behalf of the Board of Directors

Prashant Mehra
Managing Director**Mahesh Mehra**
Whole-time Director**Tarak Nath Mishra**
CFO**Tarkeshwar Singh**
Company Secretary

Consolidated Cash Flow Statement for the year ended 31 March, 2015

(Amount in ₹)

PARTICULARS	For the year ended 31st March, 2015	For the year ended 31st March, 2014
A. Cash flow from operating activities		
Net Profit / (Loss) before extraordinary items and tax	(7,45,74,516)	(13,99,28,824)
<u>Adjustments for:</u>		
Depreciation and amortisation	91,11,496	37,20,007
Amortization of Preliminary expenses	(17,92,428)	6,034
Finance costs	6,58,86,729	6,35,95,320
Interest income	(15,60,646)	(21,52,408)
Operating profit / (loss) before working capital changes	(29,29,365)	(7,47,59,871)
<u>Changes in working capital:</u>		
Adjustments for (increase) / decrease in operating assets:		
Inventories	8,00,980	30,73,686
Trade receivables	(1,59,59,116)	18,65,65,003
Short-term loans and advances	3,98,33,916	1,61,37,160
Long-term loans and advances	(1,37,06,760)	23,36,680
Other current assets	4,42,673	22,27,891
Adjustments for increase / (decrease) in operating liabilities:		
Other long term liabilities	(33,00,000)	16,18,000
Long Term Borrowing	-	(36,000)
Long term provisions	5,000	5,000
Trade payables	(6,38,40,095)	(19,12,80,506)
Other current liabilities	3,48,17,814	2,67,24,413
Short-term provisions	-	-
Cash flow from extraordinary items	-	-
Cash generated from operations	(2,38,34,952)	(2,73,88,544)
Net income tax (paid) / refunds	(75,95,693)	(2,84,507)
Net cash flow from / (used in) operating activities (A)	(3,14,30,645)	(2,76,73,052)
B. Cash flow from investing activities		
Capital expenditure on fixed assets	(8,09,406)	(24,96,962)
Capital advance	5,23,80,000	(2,60,53,614)
Proceeds from sale of Fixed Assets	-	-
Bank balances not considered as Cash and cash equivalents		
- Placed	-	-
- Matured	50,76,047	(42,13,247)
Purchase of long-term investments		
- Others	(31,79,074)	(89,000)
Loans & Advances given		
- Associates & Enterprise under significant influence	(13,27,93,513)	1,60,40,000
- Joint Ventures	(85,79,630)	(1,42,616)
Interest received		
- Others	15,60,646	21,52,408
Adjustment for change in Subsidiaries to Associates	11,70,63,839	-
Net cash flow from / (used in) investing activities (B)	3,07,18,910	(1,48,03,031)

Consolidated Cash Flow Statement for the year ended 31 March, 2015 (Contd.)

PARTICULARS	(Amount in ₹)	
	For the year ended 31st March, 2015	For the year ended 31st March, 2014
C. Cash flow from financing activities		
Proceeds from issue of share warrants	-	(12,34,95,000)
Share Application Money received/(refunded)	-	(1,07,00,000)
IPO Share Application Money transferred	1,63,680	-
Proceeds from conversion of share warrants into shares	-	16,77,63,170
Share issued to Minority Shareholders & Capital Reserve	80,03,651	80,29,901
Net increase / (decrease) in working capital borrowings	6,11,25,580	5,88,27,247
Finance cost	(6,58,86,729)	(6,35,95,320)
Cash flow from extraordinary items	-	-
Net cash flow from / (used in) financing activities (C)	34,06,182	3,68,29,998
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	26,94,446	(56,46,084)
Cash and cash equivalents at the beginning of the year	88,94,089	1,45,40,174
Cash and cash equivalents at the end of the year	1,15,88,535	88,94,089
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet (Refer Note 16)	2,50,95,125	2,76,40,406
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	1,35,06,590	1,85,82,637
IPO refund account	-	1,63,680
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 16	1,15,88,535	88,94,089
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 *	1,15,88,535	88,94,089
* Comprises:		
(a) Cash on hand	60,99,087	81,55,148
(b) Balances with banks		
(i) In current accounts	54,89,448	7,38,941
(ii) In deposit accounts with original maturity of less than 3 months	-	-
Total	1,15,88,535	88,94,089

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, 2015

For and on behalf of the Board of Directors

Prashant Mehra
Managing Director

Maresh Mehra
Whole-time Director

Tarak Nath Mishra
CFO

Tarkeshwar Singh
Company Secretary

Notes forming part of the Consolidated financial statements

Note 1: CORPORATE INFORMATION

Kaushalya Infrastructure Development Corporation Limited (the company) is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on the 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 carries on the business in hotel segment, 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, Associates and Joint Venture undertakings.

Note 2: SIGNIFICANT ACCOUNTING POLICIES

2.1 Principles of Consolidation

The Consolidated Financial Statements relate to Kaushalya Infrastructure Development Corporation Limited ("the company") and its subsidiary companies, associates & joint ventures. The consolidated financial statements 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), 2014. 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 fully eliminating 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 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, after eliminating unrealised profit or losses resulting from transactions between the company and its associates to the extent of its share, through its Consolidated Profit and Loss Statement, to the extent such change is attributable to the associates' Profit and Loss Statement and through its reserves for the balance based on available information. 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.

Notes forming part of the Consolidated financial statements (Contd.)

- 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, 2015.
- viii. As per Accounting Standard 21- Consolidated Financial Statements notified by Companies (Accounting Standards) Rules, 2014, 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.

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

Name of the company	Country of Incorporation	Relationship	Percentage of Ownership Interest directly and indirectly	
			31st March, 2015	31st March, 2014
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 (P) Ltd. (Subsidiary of Kaushalya Energy (P) Ltd.)	India	Step down Subsidiary	55% of 99%	55% of 99%
Kaushalya Township (P) Ltd.	India	Subsidiary	53.90%₹	73.49%₹
Kaushalya Nirman (P) Ltd.	India	Associates	46.00%	68.66%
Orion Abasaan (P) Ltd.	India	Associates	48.33%	72.50%
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 as prescribed under Section 133 of the Companies Act, 2013('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act(to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The financial statements have been prepared on accrual basis under 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.

Notes forming part of the Consolidated financial statements (Contd.)

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

i) Tangible Fixed Assets

- a) Depreciation is provided from the date the assets are ready to be put to use, on straight line method as per the useful life of the assets as prescribed under Part C of Schedule II of the Companies Act, 2013 except for the Plant & Machinery and Cycles purchased before FY 2004-05 where the management has estimated that there were no useful life of the aforementioned assets and thus differs from the useful life prescribed under the Act.

For the aforementioned assets, the company has charged amount of ₹ 40,43,060/- as depreciation in statement of profit & loss instead of deducting it from retained earnings for fair & better presentation of financial statements.

2.8 Revenue recognition

Income from services

Revenues from contracts priced on a time and material basis are recognized when services are rendered and related costs are incurred. Revenues from turnkey contracts, which are generally time bound fixed price contracts, are recognized 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 recognized when probable.

Revenues from maintenance contracts are

recognized 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 ₹ 6,08,33,560/- in the financial year 2014-15, an amount of ₹ 5,94,17,000/- is pending for certification.

Income from Hotel

Income from hotel is recognized on accrual basis. Profit before depreciation from hotel business is recognized as income in statement of profit and loss. Depreciation and Taxes related to Hotel Business is shown under respective heads of statement of profit and loss.

2.9 Other income

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

Maintenance & Hire Charges: Income from Maintenance and Hire Charges is recognized on accrual basis.

2.10 Tangible Fixed Assets

Fixed assets are carried at cost less accumulated depreciation. The cost of fixed assets comprises its purchase price, directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition or construction of qualifying fixed assets, up to the date the asset is ready for its intended use. Subsequent expenditure on fixed assets after its purchase/completion is capitalised only if such expenditure results in an increase in the future benefits from such assets beyond its previously assessed standard of performance.

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 includes acquisition charges such as brokerage, fees and duties.

Notes forming part of the Consolidated financial statements (Contd.)

Investment in Lands are carried individually at cost less accumulated depreciation and impairment, if any.

2.12 Employee Benefits

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

The provision for gratuity has been made, with out 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 has identified two reportable segments viz. Construction & Hotel. Segments have been identified and reported taking into account nature of products and services, the

differing risks and returns and the internal business reporting systems. 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.

The accounting policies adopted for segment reporting are in line with the accounting policy of the Company with following additional policies for segment reporting.

- Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and Expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".
- Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

SEGMENTAL REPORTING AS PER AS 17 ISSUED BY THE ICAI

(Amount in ₹)

Particulars	2014-15			2013-14		
	Construction	Hotel	Total	Construction	Hotel	Total
Segment Revenue	6,53,72,902	14,04,691	6,67,77,593	15,53,36,527	11,37,206	15,64,73,733
Unallocable Revenue			6,09,727			7,56,009
Total Revenue	6,53,72,902	14,04,691	6,73,87,320	15,53,36,527	11,37,206	15,72,29,742
Segment Expenditures	13,98,90,694	18,82,515	14,17,73,209	29,59,89,588	9,74,447	29,69,64,035
Total Expenditures	13,98,90,694	18,82,515	14,17,73,209	29,59,89,588	9,74,447	29,69,64,035
Segment Results						
Segment Profit Before Tax	(7,45,17,792)	(4,77,824)	(7,43,85,890)	(14,06,53,061)	1,62,759	(13,97,34,293)
Unallocable Expenditures	-	-	1,88,626	-	-	1,94,531
Profit Before Tax			(7,45,74,516)			(13,99,28,824)
Less : Current Tax			-			-
Less : Deferred Tax			(17,01,036)			(2,68,347)
PAT (before adjustment for Minority Interest & Associates)			(7,28,73,480)			(13,96,60,477)
Less : Share of Profit t/f to Minority Interest			6,818			66,044

Notes forming part of the Consolidated financial statements (Contd.)

(Amount in ₹)

Particulars	2014-15			2013-14		
	Construction	Hotel	Total	Construction	Hotel	Total
Add : Share of Profit from Associates			2,674			-
			(7,28,77,625)			(13,97,26,520)
Segment Assets	1,75,46,81,787	1,20,05,942	1,76,66,87,729	1,80,65,83,561	1,25,08,739	1,81,90,92,300
Unallocable Assets			14,32,90,233			13,93,20,839
Total Assets	1,75,46,81,787	1,20,05,942	1,90,99,77,962	1,80,65,83,561	1,25,08,739	1,95,84,13,139
Segment Liabilities	1,83,30,56,260	1,20,05,942	1,84,50,62,202	1,88,08,13,950	1,25,08,739	1,89,33,22,689
Unallocable Liabilities			6,49,15,760			6,50,90,450
Total Liabilities	1,83,30,56,260	1,20,05,942	1,90,99,77,962	1,88,08,13,950	1,25,08,739	1,95,84,13,139

2.15 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.

2.16 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. Deferred tax assets are recognized for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realized. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognized only if there is virtual certainty that there will be sufficient future taxable income available to realise the assets.

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.

Notes forming part of the Consolidated financial statements (Contd.)

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. Contingent assets are not recognised in the financial statements.

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 Operating Cycle

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

2.21 Advances to Subsidiaries & Associates:

The amount of ₹ 482,462,888/- in aggregate is standing as advance to its subsidiaries & associates at the balance sheet date out of which advances to the tune of ₹ 480,986,485/- is outstanding, which was advanced for purchase of land by the subsidiaries & associates made under agreement. The Company had entered into agreements with Kaushalya Township (P) Ltd., Kaushalya Nirman (P) Ltd., and Orion Abasaan (P) Ltd. that whenever they will sell land or developed land or project on the land the Company's interest shall be safeguarded as per the terms of the agreement.

Notes forming part of the Consolidated financial statements (Contd.)

Note 3 : SHARE CAPITAL

(Amount in ₹)

Particulars	As at 31 March, 2015		As at 31 March, 2014	
	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
	<u>3,50,00,000</u>	<u>35,00,00,000</u>	<u>3,50,00,000</u>	<u>35,00,00,000</u>
(b) Issued				
Equity shares of ₹ 10/- each with voting rights	3,46,30,630	34,63,06,300	3,46,30,630	34,63,06,300
	<u>3,46,30,630</u>	<u>34,63,06,300</u>	<u>3,46,30,630</u>	<u>34,63,06,300</u>
(c) Subscribed and fully paid up				
Equity shares of ₹ 10/- each with voting rights	3,46,30,630	34,63,06,300	3,46,30,630	34,63,06,300
Total	<u>3,46,30,630</u>	<u>34,63,06,300</u>	<u>3,46,30,630</u>	<u>34,63,06,300</u>

Refer Notes (i) to (iii) 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, 2015				
- Number of shares	3,46,30,630	-	-	3,46,30,630
- Amount (₹)	34,63,06,300	-	-	34,63,06,300
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

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

Particulars	As at 31 March, 2015		As at 31 March, 2014	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Class of shares / Name of shareholder				
Equity shares with voting rights				
Mahanti Engineers Pvt. Ltd.	50,82,600	14.68	50,82,600	14.68
Sunkissed Merchandise Pvt. Ltd.	50,22,900	14.50	50,22,900	14.50
Keleenworth Marketing Pvt. Ltd.	43,36,350	12.52	43,36,350	12.52
Total	<u>1,44,41,850</u>	<u>41.70</u>	<u>1,44,41,850</u>	<u>41.70</u>

Notes forming part of the Consolidated financial statements (Contd.)

Note 4 : RESERVES & SURPLUS

(Amount in ₹)

Particulars	As at 31 March, 2015	As at 31 March, 2014
(a) Securities premium account		
Opening balance	47,93,84,836	46,43,59,836
Add : Premium on shares issued during the year	-	1,50,25,000
Less : Utilised during the year for:	-	-
Closing balance	47,93,84,836	47,93,84,836
(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) Share in Reserves of Joint Venture	(8,79,646)	
(e) Capital Reserve		
Balance as per Last Year	2,393,959	(94,211)
Add/(Less) : Adjustment on conversion of subsidiary to associates	(3,744,816)	2,488,170
Total	(1,350,857)	2,393,959
(f) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	47,527,131	187,253,651
Add: Profit / (Loss) for the year	(72,877,625)	(139,726,520)
Closing balance	(25,350,494)	47,527,131
Total	500,290,861	577,792,947

Note 5 : Long Term Borrowings

Particulars	As at 31 March, 2015	As at 31 March, 2014
Unsecured loan		
Jagriti Investment Pvt. Ltd	10,00,000	10,00,000
Total	10,00,000	10,00,000

Note 6 : OTHER LONG TERM LIABILITIES

Particulars	As at 31 March, 2015	As at 31 March, 2014
Advances from Related Parties		
Joint Venture & Associates		
- Joint Venture & Associates	9,40,350	95,19,980
- From Relatives of KMPs	-	24,00,000
Advance against Land	9,91,00,000	10,00,00,000
Total	10,00,40,350	11,19,19,980

Notes forming part of the Consolidated financial statements (Contd.)

(Amount in ₹)

Note 7 : LONG TERM PROVISIONS

Particulars	As at 31 March, 2015	As at 31 March, 2014
Provision for Employee Benefits - Gratuity	8,46,411	8,41,411
	8,46,411	8,41,411

Note 8 : SHORT TERM BORROWINGS

Particulars	As at 31 March, 2015	As at 31 March, 2014
Loans repayable on demand		
(a) Cash Credit From banks		
Secured		
(i) State Bank of India*	29,64,03,282	25,69,03,947
State Bank of India CC	19,19,80,883	15,25,40,295
State Bank of India FITL	3,60,75,399	3,53,78,122
State Bank of India WCTL	6,83,47,000	6,89,85,530
(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	31,83,06,373	29,66,80,128
Indian Overseas Bank CC	18,64,76,427	17,03,42,544
Indian Overseas Bank FITL	4,52,33,612	4,26,02,584
Indian Overseas Bank WCTL	8,65,96,334	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.)		
	61,47,09,655	55,35,84,075

* Also refer Note 34(e)

Note 9 : TRADE PAYABLES

Particulars	As at 31 March, 2015	As at 31 March, 2014
Acceptances	-	-
Other than Acceptances	13,11,02,188	19,49,42,282
Total	13,11,02,188	19,49,42,282

Note 10 : OTHER CURRENT LIABILITIES

Particulars	As at 31 March, 2015	As at 31 March, 2014
Statutory Remittances	2,00,99,543	1,15,42,993
Advances from customers/ contractors	10,32,45,273	7,68,20,329
Share Application Money Due for refund	-	1,63,680
Payable for Fixed Assets	11,40,102	23,40,102
	12,44,84,918	9,08,67,104

Note 11 : SHORT TERM PROVISIONS

Particulars	As at 31 March, 2015	As at 31 March, 2014
Provision for Income-tax	6,36,34,013	6,36,50,023
Provision for FBT	4,35,336	4,35,336
	6,40,69,349	6,40,85,359

Notes forming part of the Consolidated financial statements (Contd.)

(Amount in ₹)

Note 12 : FIXED ASSETS

Particulars	Gross Block				Depreciation				Net Block	
	As at 01.04.2014	Additions	Deductions	Total	Upto 31.03.2014	For the Year	Sales/ Adjustments	Total	As at 31.03.2015	As at 31.03.2014
TANGIBLE ASSETS										
(a) Land										
Freehold	39,56,00,864	7,36,299	-	39,63,37,163	-	-	-	-	39,63,37,163	39,56,00,864
Subsidiaries	39,56,00,864	7,36,299	-	39,63,37,163	-	-	-	-	39,63,37,163	39,56,00,864
- BKDC	11,59,94,373	-	-	11,59,94,373	-	-	-	-	11,59,94,373	11,59,94,373
- KTPL	27,96,06,491	7,36,299	-	28,03,42,790	-	-	-	-	28,03,42,790	27,96,06,491
(b) Buildings										
Owned	99,93,919	-	-	99,93,919	18,36,168	1,54,053	-	19,90,221	80,03,698	81,57,751
Construction	1,07,298	-	-	1,07,298	1,07,298	-	-	1,07,298	-	-
- Site Building	1,07,298	-	-	1,07,298	1,07,298	-	-	1,07,298	-	-
Hotel	98,86,621	-	-	98,86,621	17,28,870	1,54,053	-	18,82,923	80,03,698	81,57,751
- Building	98,86,621	-	-	98,86,621	17,28,870	1,54,053	-	18,82,923	80,03,698	81,57,751
(c) Plant and Equipment										
Owned	6,54,67,460	-	-	6,54,67,460	2,60,80,304	80,80,310	-	3,41,60,614	3,13,06,846	3,93,87,156
Construction	6,46,71,342	-	-	6,46,71,342	2,56,56,067	77,41,701	-	3,33,97,768	3,12,73,574	3,90,15,275
- Plant & Machinery	6,16,04,246	-	-	6,16,04,246	2,25,88,971	77,41,701	-	3,03,30,672	3,12,73,574	3,90,15,275
- JCB Excavator	30,67,096	-	-	30,67,096	30,67,096	-	-	30,67,096	-	-
Hotel	7,96,118	-	-	7,96,118	4,24,237	3,38,609	-	7,62,846	33,272	3,71,881
- Plant & Machinery	7,96,118	-	-	7,96,118	4,24,237	3,38,609	-	7,62,846	33,272	3,71,881
(d) Furniture and Fixtures										
Owned	66,35,153	19,879	-	66,55,032	44,38,264	8,15,517	-	52,53,781	14,01,251	21,96,889
Construction	19,85,707	19,879	-	20,05,586	10,82,273	5,75,750	-	16,58,023	3,47,563	9,03,434
Hotel	27,57,046	-	-	27,57,046	27,57,046	-	-	27,57,046	-	-
Subsidiaries	18,92,400	-	-	18,92,400	5,98,945	2,39,767	-	8,38,712	10,53,688	12,93,455
(e) Vehicles										
Owned	76,27,741	-	-	76,27,741	74,67,780	46,684	-	75,14,464	1,13,277	1,59,961
Construction	76,16,183	-	-	76,16,183	74,56,222	46,684	-	75,02,906	1,13,277	1,59,961
- Motor Car	34,02,899	-	-	34,02,899	32,62,084	44,511	-	33,06,595	96,304	1,40,815
- Vehicles	41,77,289	-	-	41,77,289	41,77,289	-	-	41,77,289	-	-
- Cycles	35,995	-	-	35,995	16,849	2,173	-	19,022	16,973	19,146
Hotel	11,558	-	-	11,558	11,558	-	-	11,558	-	-
- Vehicles	11,558	-	-	11,558	11,558	-	-	11,558	-	-
(f) Office equipment										
Owned	9,81,084	53,228	-	10,34,312	9,81,084	14,932	-	9,96,016	38,296	-
Construction	9,44,534	53,228	-	9,97,762	9,44,534	14,932	-	9,59,466	38,296	-
- Computer	9,44,534	53,228	-	9,97,762	9,44,534	14,932	-	9,59,466	38,296	-
Hotel	36,550	-	-	36,550	36,550	-	-	36,550	-	-
- Computer	36,550	-	-	36,550	36,550	-	-	36,550	-	-
Total (₹)	48,63,06,221	8,09,406	-	48,71,15,627	4,08,03,600	91,11,496	-	4,99,15,096	43,72,00,531	44,55,02,621
Previous Year (₹)	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

Notes forming part of the Consolidated financial statements (Contd.)

(Amount in ₹)

Note 13 : NON CURRENT INVESTMENTS

Particulars		As at 31 March, 2015		As at 31 March, 2014	
	FV	Nos.	₹	Nos.	₹
A. Trade Investments					
(a) Investment in Unquoted, fully paid-up Equity Shares of :					
(i) <u>Associates</u>					
Kaushalya Nirman Pvt. Ltd.	10	46,000	19,40,000		
Add: Share in profits for the year			2,065		
			19,42,065		
Orion Abasaan Pvt. Ltd.	10	29,000	10,90,000		
Add: Share in profits for the year			609		
			10,90,609		
		6,16,857	1,85,02,850	6,16,857	1,85,02,850
(ii) <u>Others</u>					
Balaji Turnkey Projects Solution Pvt. 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 Pvt. Ltd.	10	2,600	26,000	2,600	26,000
Flare Realty Engineering Pvt. Ltd. (Held by Bengal KDC Housing Dev. Ltd.)	10	2,600	26,000	2,600	26,000
Flare Realty Engineering Pvt. Ltd. (Held by Kaushalya Township Pvt. Ltd.)	10	3,700	37,000	3,700	37,000
Pushpadanta Vyapaar Pvt. Ltd. (Held by Kaushalya Township Pvt. Ltd.)	10	10,000	1,00,400	-	-
		13,71,000	12,66,32,074	12,86,000	12,34,99,000
(b) Investment in Land			2,66,07,000		2,65,61,000
			2,66,07,000		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			15,37,18,339		15,05,39,265

Note 14 : LONG TERM LOANS AND ADVANCES

Particulars	As at 31 March, 2015		As at 31 March, 2014	
Unsecured and considered good				
Capital Advances		4,13,75,576		9,49,55,576
Security Deposits & Earnest Money Deposits		14,62,98,195		13,35,55,072
Advance to Body Corporate		94,44,572		84,80,935
Advances to related parties				
- Enterprises under significant Influence		1,25,46,000		3,80,65,508
- Associates Companies		15,83,13,021		-
		36,79,77,364		27,50,57,091
Note (i) Long Term Loans and Advances includes due from				
Particulars		As at 31 March, 2015		As at 31 March, 2014
Other officers of the Company		10,89,85,241		11,23,91,707
		10,89,85,241		11,23,91,707

Notes forming part of the Consolidated financial statements (Contd.)

(Amount in ₹)

Note 15 : OTHER NON CURRENT ASSETS

Particulars	As at 31 March, 2015	As at 31 March, 2014
Unamortised Expenses		
- Preliminary Expenses	17,98,462	6,034
	17,98,462	6,034

Note 16 : INVENTORIES

Particulars	As at 31 March, 2015	As at 31 March, 2014
Raw Materials	58,26,143	66,08,800
Work in Progress		
- Construction Work in Progress	41,04,085	41,04,085
- Stores & Spares	14,537	32,860
	99,44,765	1,07,45,745

Note 17 : TRADE RECEIVABLES

Particulars	As at 31 March, 2015	As at 31 March, 2014
Unsecured, considered good		
Overdue for a period exceeding six months	73,75,06,104	67,01,25,891
Other Trade receivables	4,21,33,560	9,35,54,657
	77,96,39,664	76,36,80,548

Note 18 : CASH AND CASH EQUIVALENTS

Particulars	As at 31 March, 2015	As at 31 March, 2014
(a) Cash on hand (as certified by the management)	60,99,087	81,55,148
(b) Balances with banks		
(i) In current accounts	54,89,448	7,38,941
(iii) 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)	1,35,06,590	1,85,82,637
Share application money received for allotment of securities and due for refund	-	1,63,680
	2,50,95,125	2,76,40,406

Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is

Notes:

(i) Includes deposits amounting to ₹ 1,744,007/- (As at 31 March, 2014 ₹ 17,941,708/-) which have an original maturity of more than 12 months.

(ii) Includes interest of ₹ 7,25,511/-

Notes forming part of the Consolidated financial statements (Contd.)

(Amount in ₹)

Note 19 : SHORT TERM LOANS AND ADVANCES

Particulars	As at 31 March, 2015	As at 31 March, 2014
Unsecured, considered good		
Advances to Suppliers & Subcontractors	1,03,16,172	2,65,73,391
Advances to Employees	4,61,381	4,37,019
Advance against Expenses	1,58,278	2,52,39,722
Advance to Body Corporate	16,00,000	-
Prepaid Expenses (Unsecured, considered good)	3,66,149	4,85,764
Balances with government authorities		
- Income Tax Payments	12,16,20,038	11,40,40,354
	13,45,22,018	16,67,76,250

Note 19A: PROFIT FROM HOTEL BUSINESS

Particulars	For the year Ended 31st March, 2015	For the year Ended 31st March, 2014
REVENUE FROM OPERATIONS		
Food Sale	3,48,991	2,62,187
Room Rent	6,35,745	4,72,194
Service Income	-	125
Cultivation Income	2,49,955	4,02,700
Agricultural Income	1,70,000	
Total (A)	14,04,691	11,37,206
EXPENDITURE		
Raw Food Purchased	2,09,462	1,49,079
Fuel (Cooking)	34,134	33,112
Repairs & Maintenance - Buildings	2,43,783	54,632
Transport Expenses	3,280	810
Stores	30,683	12,823
Employee Benefits		
Salary	1,07,400	26,100
Site Allowance	18,600	5,400
Administrative & Other Expenses		
Bank Charges	1,812	550
Books & Periodicals	1,880	1,683
Commission Charges	750	-
Electricity Charges	1,73,437	88,300
Cultivation Expenses	1,27,115	2,03,450
General Expenses	40,179	18,396
Gardening Expenses	97,332	27,734
Interest on Delay Payment of Vat	1,193	-
Medical Expenses	150	250

Notes forming part of the Consolidated financial statements (Contd.)

	(Amount in ₹)	
Particulars	For the year Ended 31st March, 2015	For the year Ended 31st March, 2014
Labour Charges incl. Allowances	1,94,300	76,050
Laundry Expenses	11,186	5,056
Legal & Professional Charges	-	9,000
Postage/Fax/Courier	910	120
Printing & Stationery	2,215	-
Rates & Taxes	18,150	3,200
Security Expenses	51,000	49,000
Subscription	7,552	7,204
Telephone Expenses	30	-
Travelling & Conveyance	13,320	2,746
Total (B)	13,89,853	7,74,695
Profit/(Loss) before Depreciation (A-B)	14,838	3,62,511

Note 20 : OTHER CURRENT ASSETS

Particulars	As at 31 March, 2015	As at 31 March, 2014
Accruals		
Interest accrued on deposits	81,692	5,24,364
	81,692	5,24,364

Note 21 : REVENUE FROM OPERATIONS

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Sale of Services (Gross)		
Contract Receipts	6,08,33,560	15,77,35,831
Other Operating Revenues		
Profit from Hotel (Refer Note 19A)	14,838	3,62,511
	6,08,48,398	15,80,98,342
Less: Service Tax	40,17,000	59,30,597
	5,68,31,398	15,21,67,745

Note 22 : OTHER INCOME

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Interest Income		
- Interest from Bank on Deposits	15,60,646	21,52,408
- Income from Maintenance Work	26,50,000	-
Sundry Credit balance W/off	22,51,496	-
Hire Charges	20,87,000	13,78,885
Prior Period Income	7,200	
Miscellaneous Income	6,09,727	7,56,009
(Net of expenses directly attributable ₹ Nil Prev. Year ₹ Nil)	91,66,069	42,87,302

Notes forming part of the Consolidated financial statements (Contd.)

(Amount in ₹)

Note 23 : a : COST OF MATERIAL CONSUMED

Particulars	As at 31 March, 2015	As at 31 March, 2014
Opening stock	66,41,660	97,15,346
Add: Purchases	1,72,63,600	7,74,73,396
	2,39,05,260	8,71,88,742
Less: Closing stock	58,40,680	66,41,660
Cost of material consumed	1,80,64,580	8,05,47,082

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

Particulars	As at 31 March, 2015	As at 31 March, 2014
Inventories at the beginning of the year:		
Work-in-progress	41,04,085	41,04,085
	41,04,085	41,04,085
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	-	-

Note 24 : EMPLOYEE BENEFIT EXPENSES

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Salary, Allowances & Bonus	40,78,964	41,43,371
Directors' Remuneration	27,30,000	25,20,000
Contribution to PF, ESI & Other Funds	46,872	50,288
Staff Welfare	4,80,609	3,83,052
Employee Retirement Benefits	5,000	5,000
	73,41,445	71,01,711

Note 25 : FINANCE COSTS

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
(a) Interest expense on:		
(i) Borrowings	6,23,66,790	5,75,34,042
(ii) Delayed/Deferred payment of taxes	1,86,296	2,53,745
(b) Other borrowing costs	33,33,643	58,07,533
	6,58,86,729	6,35,95,320

Notes forming part of the Consolidated financial statements (Contd.)

(Amount in ₹)

Note 26 : OTHER EXPENSES

Particulars	As at 31 March, 2015	As at 31 March, 2014
Contract Operating Expenses		
Consumption of Stores & Spare Parts	20,86,582	19,57,144
Unrecoverable Works Contract	64,23,305	6,57,13,930
Hire Charges	73,650	34,26,065
Labour Charges & Allowances	1,67,32,028	3,54,81,567
Power & Fuel	4,93,367	3,33,212
Repairs & Maintenance- Machinery	11,85,275	7,13,377
Freight Charges	45,450	65,320
Service Tax	-	65,83,749
Works Contract Tax	5,20,041	86,86,814
Survey Charges	-	29,650
	2,75,59,698	12,29,90,828
Administrative Expenses		
Rent	12,86,565	12,70,850
Rates & Taxes	5,54,743	5,41,966
Insurance	33,254	77,535
Consultancy & Professional Charges	13,22,151	15,36,418
Directors' Sitting Fee	1,57,500	83,000
Electricity Charges	2,71,203	2,44,871
Post, Telegraph, Telephone & Internet	5,27,715	4,68,550
Travelling & Conveyance	7,26,297	8,35,015
Printing & Stationery	3,57,156	3,22,922
Payment to Auditors		
- As Statutory Audit Fees	1,12,360	1,23,596
- As Tax Audit Fees	28,090	28,090
- For Certification	-	9,552
Prior Period Expenses	62,324	-
Miscellaneous Expenses	2,88,344	2,51,204
Preliminary Expenses W/off	6,034	6,034
	57,33,736	57,99,603
Selling & Distribution Expenses		
Advertisement	1,42,915	1,35,550
Subscription	11,790	13,521
	1,54,705	1,49,071
Other Expenses		
Sundry Debit/ (Credit) Balance W/Off	67,19,593	1,24,80,250
	67,19,593	1,24,80,250
Total	4,01,67,732	14,14,19,752

Notes forming part of the Consolidated financial statements (Contd.)

Note 27 : Additional Information of the Financial Statements

27.1 : Contingent Liabilities and Commitments to the extent not provided for

(Amount in ₹)

Sl. No.	Particulars	As on 31.03.2015	As on 31.03.2014
1.	a. Performance guarantees issued by the banks to various Government Authorities, for which the Company has provided counter guarantee against which fixed deposit receipts have been pledged by the Company.	50,297,983	47,623,983
	b. Performance Guarantee issued on behalf of other company against which fixed deposit receipts have been pledged by the Company	8,674,000	8,674,000
	c. Bank Interest Reversed	4,542,695	Nil
2.	Claims not acknowledged as debts		
	Income Tax Demand (Assessment Year 2004-05)	Nil	3,771,602
	Income Tax Demand (Assessment Year 2005-06)	90,875	72,381
	Income Tax Demand (Assessment Year 2006-07)	Nil	923,573
	Income Tax Demand (Assessment Year 2007-08)	2,846,864	4,098,684
	Income Tax Demand (Assessment Year 2009-10)	3,026,950	Nil
	Income Tax Demand (Assessment Year 2010-11)	3,761,030	3,761,030
	Income Tax Demand (Assessment Year 2011-12)	190,580	4,165,834
	Income Tax Demand (Assessment Year 2012-13)	5,142,880	259,290

27.2 : 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.

27.3 : 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 such parties)

The loans and advances in the nature of advances given by the company to its Subsidiaries and Associates, amounts to ₹ 482,462,888/-, in aggregate as on 31st March 2015. 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 31.03.2015	Maximum Balance 2014-15	Balance as at 31.03.2014	Maximum Balance 2013-14
1	Bengal Kaushalya Nirman Ltd.	Nil	40,600	38,000	38,000
2	Bengal KDC Housing Development Ltd.	118,232,236	119,131,586	119,128,986	131,759,986
3	Kaushalya Energy (P) Ltd.	Nil	2,600	Nil	3,395,100
4	Kaushalya Nirman (P) Ltd.	49,327,780	58,876,430	58,876,430	67,083,317
5	Azur Solar KDC (P) Ltd.	1,476,403	1,476,403	1,475,238	1,475,238
6	Kaushalya Township (P) Ltd.	204,441,222	225,922,822	225,922,822	261,727,246
7	Orion Abasaan (P) Ltd.	108,985,241	112,391,707	112,391,707	113,091,707

Notes forming part of the Consolidated financial statements (Contd.)

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

Name of the subsidiary	As at 31 March, 2015	As at 31 March, 2014
	Nil	Nil

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

Particulars	For the year Ended 31st March, 2015	For the year Ended 31st March, 2014
Traveling and Conveyance	Nil	Nil
Loss in repayment of Term Loan	Nil	Nil

27.5 : Details of consumption of imported and indigenous items

Particulars	For the year ended 31st March, 2015		For the year ended 31st March, 2014	
	Amount (₹)	%	Amount (₹)	%
Indigenous				
Raw Material	18,064,580	100	80,547,082	100
Components	Nil	Nil	Nil	Nil
Spare Parts	2,086,522	100	1,957,144	100
Imported				
Raw Material	Nil	Nil	Nil	Nil
Components	Nil	Nil	Nil	Nil
Spare Parts	Nil	Nil	Nil	Nil

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

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

27.8 : 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 ₹ 779,639,664/-, an amount of ₹ 737,506,104/- is outstanding since long, and out of which several debtors are under dispute.

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

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

i. Sundry Creditors	₹ 20,66,122/-
ii. Security Deposit	₹ 1,373/-
iii. Statutory Dues	₹ 376/-
iv. Cash & cash equivalents	₹ 10,224/-
v. Liability for Expenses	₹ 1,08,401/-
vi. Advance to suppliers & contractors	₹ 65,000/-

Notes forming part of the Consolidated financial statements (Contd.)

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

i. Advance to suppliers & contractors	₹ 53,24,213/-
ii. Advance for Expenses	₹ 10,000/-
iii. Security Deposit	₹ 12,91,955/-
iv. Cash & cash equivalents	₹ 58,425/-
v. Advance for projects	₹ 35,000/-

c. Short-term Advances:

The Company had advanced a net amount of ₹ 34,474,964/- to Flare Realty Engineers Private Limited, for meeting its working capital requirements. However, the work for execution of part of the work at Sardasahar, Rajasthan of Nagar Palika project was awarded to the Company. Thereafter, Flare Realty Engineers Private Limited asked for security deposit against the said work and requested to transfer the working capital advance to Security Deposit. The Company has accepted the condition and agreed to transfer the working capital advance to Security Deposit.

Note 27.9 : Statutory Compliances

The following areas are of concern :

- a. **Service Tax Payable:** Following information is worth noting in this regard-
 - i. 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 ₹ 1,59,43,004/-, payable in two equal installments on or before 31st Dec, 2013 and 30th June, 2014 respectively. The company has paid ₹ 79,72,657/- i.e 50% of declared liability till date. In, the mean time, the Company has received a show cause cum demand notice from Service Tax Commissionerate, Kolkata for ₹ 4,21,84,307/- for the said period. However, the hearing of the matter is still pending.
 - ii. Apart from the afore-mentioned amount due under VCES, 2013, the balance amount of Service Tax which is due to be paid is ₹ 1,04,51,981/-
 - iii. An amount of ₹ 14,01,229/- 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 27.10 : Dilution of holding:

- A) During the current financial year, the shareholding of the company has diluted in one of its subsidiary : Kaushalya Township Private Limited in which shareholding reduced from 73.49% to 48.69%. However, Kaushalya Township Private Limited continue to be the step-down subsidiary of the company as the company holds more than 50% of the shareholding through its other subsidiary.
- B) Details of companies which have cease as subsidiary and become associates during the year under review as under:
 - a) Orion Abasaan Private Limited by reducing shareholding from 72.50% to 48.33% on 28th day of March, 2015
 - b) Kaushalya Nirman Private Limited by reducing shareholding from 68.66% to 46% on 31st ay Day of March, 2015

Note 27.11 : Fixed Deposits:

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

Note 27.12 : Interest on credit cards:

The company has paid interest to the tune of ₹ 1,67,381/- on delayed payment of credit cards of the directors.

Notes forming part of the Consolidated financial statements (Contd.)

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

Related Party Disclosures as required by AS 18 issued by ICAI

I. Parties Where Control Exists

Subsidiaries

- 1 Bengal Kaushalya Nirman Ltd.
- 2 Bengal KDC Housing Development Ltd.
- 3 Kaushalya Energy (P) Ltd.

Step Down Subsidiaries

- 4 Kaushalya Township (P) Ltd.
- 5 Azur Solar KDC (P) Ltd.

II. Joint Ventures

Jointly Controlled Entities

- 1 Kidco Nacc

III. Associates

- 1 Kaushalya Nirman (P) Limited
- 2 Orion Abasaan (P) Limited

IV. Key Management Personnel :

- 1 Mr. Prashant Mehra, Managing Director
- 2 Mr. Ramesh Kumar Mehra, Chairman
- 3 Mr. Mahesh Mehra, Whole-time Director
- 4 Mr. Parag Keshar Bhattacharjee, Independent Director
- 5 Mr. Rajesh Kumar Agarwal, Independent Director
- 6 Mrs. Minoti Nath, Women Independent Director

V. 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) Company in which Relatives of Key Management Personnel is Director

- 1 PushpadantaVyapar (P) Ltd.
- 2 Sunkissed Merchandise (P) Ltd.
- 3 Magnum Infracon (P) Ltd.

Notes forming part of the Consolidated financial statements (Contd.)

VI. Transactions with Related Parties

(Amount in ₹)

Sl. No.	Type of Transactions	2014-15			2013-14		
		Other Parties	Key Mgt Personnel	Relatives of KMP	Other Parties	Key Mgt Personnel	Relatives of KMP
(a)	Valued of Services Received		2,770,500	960,000		2,538,000	960,000
	Directors Remuneration						
	- Prashant Mehra		1,590,000			1,380,000	
	- Mahesh Mehra		1,140,000			1,140,000	
	Sitting Fees						
	- Ramesh Mehra		40,500			18,000	
	Salary						
	- Kartik Mehra			480,000			480,000
	- Karan Mehra			480,000			480,000
(b)	Rent Paid		-	600,000		-	600,000
	Rent						
	- Neeru Mehra	-	-	600,000	-		600,000
(c)	Money Recd. Agst Warrants	-	-	-	-	265,000	455,000
						265,000	455,000 (Relatives) 41,185,000 (Others)
(d)	Advances Given/Repaid	4,200,000	-	-	15,930,000		
	- PushpadantaVyapar (P) Ltd.	200,000			-		
	- Magnum Infracon (P) Ltd.	2,500,000			15,930,000		
	- Sunkissed Merchandised (P) Ltd.	1,500,000			-		
(e)	Advances Taken/Received Back	22,820,000			31,970,000		
	- PushpadantaVyapar (P) Ltd.	13,950,000			11,940,000		
	- Magnum Infracon (P) Ltd.	7,370,000			20,030,000		
	- Sunkissed Merchandised (P) Ltd.	1,500,000					
(f)	Balance Receivable as at 31.03.2015	12,546,000			31,166,000		
	- PushpadantaVyapar (P) Ltd.	12,546,000			26,296,000		
	- Magnum Infracon (P) Ltd.	-			4,870,000		
(g)	Balance Payable as at 31.03.2015	-	-	-	-	186,842	119,555
	- Prashant Mehra					168,842	
	- Ramesh Mehra					18,000	
	- Neeru Mehra						45,000
	- Kartik Mehra						36,505
	- Karan Mehra						38,050

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

Notes forming part of the Consolidated financial statements (Contd.)

Note 30: Earning Per Shares

Year Ended 31.03.2015

(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 attributable to Eq. Shareholders	(72,873,480)	(72,873,480)	(72,873,480)	(72,873,480)	0	0	0	0	(72,873,480)	(72,873,480)	(72,873,480)	(72,873,480)
Weighted Average No. of Shares	34,630,630	34,630,630	34,630,630	34,630,630	34,630,630	34,630,630	34,630,630	34,630,630	34,630,630	34,630,630	34,630,630	34,630,630
EPS (₹)	(2.10)	(2.10)	(2.10)	(2.10)	-	-	-	-	(2.10)	(2.10)	(2.10)	(2.10)

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 attributable to Eq. Shareholders	(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)

Note 31: Deferred Tax Assets/(Liability)

(Amount in ₹)

	31.03.2015		31.03.2014	
	Timing Difference		Timing Difference	
On Account of Depreciation				
- Net Block as per I T Act	416,802,176		419,359,529	
- Net Block as per Cos. Act	436,146,843	(19,344,668)	444,209,166	(24,849,637)
On Account of Employee Benefits		841,411		836,411
		(18,503,257)		(24,008,226)
Effective Rate of Tax		30.90%		30.90%
Deferred Tax Asset/(Liability)		(5,717,507)		(7,418,542)
Less : Deferred Tax Liability b/f		(7,418,542)		(7,686,889)
Deferred Tax Provision		(1,701,035)		(268,347)

Deferred tax assets on unabsorbed depreciation and carry forward of losses has not been recognized since the management is of the opinion that there is no virtual certainty that there will be sufficient future taxable income available against which such deferred tax assets can be realized.

Notes forming part of the Consolidated financial statements (Contd.)

Note 32: 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, 2015					
		Assets	Liabilities	Income	Expenditure	Contingent Liabilities	Capital Commitments
New Asian Construction Co., India	90%	10,490,402	11,494,869	-	124,822	Nil	Nil
(Prev. Year)		(10,595,231)	(11,474,877)	-	(270,681)	Nil	Nil

Note 33 : Details of Provisions

Particulars	For the year ended 31.03.2015		For the year ended 31.03.2014	
	Provision for Current Tax	Deferred Tax Liability	Provision for Current Tax	Deferred tax Liability
Balance at the beginning of the year	63,634,013	7,418,542	63,634,013	7,686,889
Provision made during the year	Nil	(1,701,035)	Nil	(268,347)
Paid/Adjusted during the year	Nil	Nil	Nil	Nil
Balance at the end of the year	63,634,013	5,717,507	63,634,013	7,418,542

Note 34 : Other information:

a. Projects in hand:

The company is having three major running projects, construction of integrated school and hostel complex for Westing House Saxby Farmer Ltd., contract value of ₹ 7.25 Cr., Mega Housing project for EWS, LIG & MIG through PPP in Sardarsahar, Rajasthan from Rajasthan Avas Vikas & Infrastructure Ltd. of ₹ 51.66 Cr & Construction of Swarigarh SHP from UtrakhandJalVidyut Nigam (awarded to KIDCO-NACC Consortium) contract value ₹ 14.83 Cr. In these projects, revenue to the tune of ₹ 7.60 Crs. has already been recognized upto the year ending 31.03.2015.

- 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.
- e. The bankers of the Company are considering a second restructuring which is under review by lead banker The State Bank of India. The SBI has also reversed part of earlier charged interest of ₹ 45.42 lacs in account. This has also resulted/reflected in lower finance cost in last quarter 31.03.2015. However, Bank shall have the right to recompense the reliefs/sacrifices/waivers extended upto this restructuring package.

Note 35 : Previous Year Figures

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. 32254E

Chartered Accountants

Pradeep Kumar Agarwal

Partner

Membership No. 056521

Place : Kolkata

Date : 30th May, 2015

For and on behalf of the Board of Directors

Prashant Mehra
Managing Director

Maresh Mehra
Whole-time Director

Tarak Nath Mishra
CFO

Tarkeshwar Singh
Company Secretary



If undelivered Please Return to :

Kaushalya Infrastructure Development Corporation Ltd.

CIN : L51216WB1992PLC055629

HB 170, Sector III, Salt Lake

Kolkata - 700106

KAUSHALYA INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED**Registered Office :** HB-170, Sector-III, Salt Lake, Kolkata-700 106**CIN NO :** L51216WB1992PLC055629**Telephone :** (033) 2334-4148, **Fax :** (033) 2334-4148, **Email :** info@kaushalya.net, **Website :** www.kaushalya.net**ATTENDANCE SLIP**

I/We hereby record my/our presence at the 23rd Annual General Meeting of the Company, to be held on Tuesday, September 29, 2015 at 11.00 AM at Agora, 5th Floor Axis Mall, Unit-A (Block-B) Plot No. CF9, Major Arterial Rd, Action Area 1C, Newtown, Kolkata- 700 156.

Folio No/DP ID & Client ID :**Share Holding :****Serial No :****Name :****Name(s) of Joint Holder(s), if any :****Address :**

Proxy's Name in Block Letters

Member's/Proxy's Signature

Note: Please bring the Attendance Slip duly signed to the meeting and hand it over at the Entrance of the Meeting Hall. Duplicate slips will not be issued at the venue of the AGM.

KAUSHALYA INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED**PROXY FORM : MGT-11****Registered Office :** HB-170, Sector-III, Salt Lake, Kolkata-700 106**CIN NO :** L51216WB1992PLC055629**Telephone :** (033) 2334-4148, **Fax :** (033) 2334-4148, **Email :** info@kaushalya.net, **Website :** www.kaushalya.net

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

Name of the Member(s):

Registered Address :

E-mail ID :

Folio No/DP ID & Client ID :

I/We, being the Member(s) of Kaushalya Infrastructure Development Corporation Limited, holding Equity Shares of the above named Company, hereby appoint :

- 1) Name : Address :
E-mail ID : Signature : or failing him/her;
- 2) Name : Address :
E-mail ID : Signature : or failing him/her;
- 3) Name : Address :
E-mail ID : Signature : or failing him/her;

as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 23rd Annual General Meeting of the Company, to be held on Tuesday, September 29, 2015 at 11.00 AM at Agora, 5th Floor Axis Mall, Unit-A(Block-B) Plot No. CF9, Major Arterial Rd, Action Area 1C, Newtown, Kolkata- 700 156 at any adjournment thereof in respect of following resolutions:

S. No.	Resolutions	Optional *	
		For	Against
Ordinary Business			
1.	Adoption of Audited Financial Statements of the Company for Financial Year ended on 31st March 2015, Reports of the Board of Directors and Auditors thereon.		
2.	To retire Mr. Ramesh Kumar Mehra (DIN-00086598) who retires by rotation and not to fill the vacancy.		
3.	Rectification of appointment of Statutory Auditors.		
Special Business			
4.	Appointment of Mrs. Minoti Nath (DIN-007017530) as a Non- Executive Independent Director of the Company.		
5.	Approval of Article of Association of the Company as per the Companies Act, 2013.		
6.	Approval under section 180(1)(a) of the Companies Act, 2013.		

Signed thisday of2015

Signature of Shareholder.....

Signature of Proxy holder.....

Affix
Revenue
Stamp of
1/- here

- Notes:**
1. This form of proxy in order to be effective should be duly completed and deposited at the Company's Registered Office or Head and Corporate Office not less than 48 hours before the commencement of the AGM.
 2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of 23rd Annual General Meeting of the Company.
 3. *It is optional to put a 'X' in the appropriate column against the resolutions indicated to the box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

ELECTRONIC VOTING PARTICULARS

EVEN (Electronic Voting Event Number)	User ID	Password
102834		

Note: Please refer to AGM Notice for E-voting instructions.**The e-voting facility will be available during the following voting period:**

Commencement of Remote E-voting	End of Remote E-voting
9.00 a.m. (IST) on September 26, 2015	5.00 p.m. (IST) on September 28, 2015