



Annual Report 2018-19

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

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Mahesh Mehra

Whole-time Director

Mrs. Minoti Nath

Woman Independent Director

Mr. Anil Kumar Agarwal

*Independent Director
(upto 22nd April, 2019)*

Mr. Asoke Das

Independent Director

Mr. Sandip Sarkar

*Independent Director
(Appointed w.e.f 14th August, 2019)*

CHIEF FINANCIAL OFFICER

Mr. Tarak Nath Mishra

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Sanjay Lal Gupta

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. Monu Jain & Company

Chartered Accountants

2, Clive Ghar Street, Sagar Estate

Ground Floor, Room No. 2

Kolkata-700 001

Email-camonuj@gmail.com

SECRETARIAL AUDITORS

M/s. Atul Khater

Practising Company Secretaries

83, R. K. Street, Anand Bhavan,

Dist. Hooghly, Uttarpura - 712 258

Email-atulkhater@gmail.com

BANKERS

HDFC 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

Notice

Notice is hereby given that the Twenty Seventh (27th) Annual General Meeting (AGM) of the Members of **KAUSHALYA INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED** will be held on Monday, the 30th day of September, 2019 at 10:30 A.M. at “Aikatan”, EZCC, IA-290, Sector-III, Salt Lake, Kolkata, 700 097 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, 2019, including the Audited Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date together with the report of Board of Directors and Auditor's Report thereon.
2. To appoint a Director in place of Mr. Mahesh Mehra (DIN- 00086683), Whole-time Director who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider the re-appointment of current Statutory Auditors from conclusion of this Annual General Meeting until the conclusion of the thirty second Annual General Meeting and to fix their remuneration and to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Sections 139, 142 of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, of the said Act and Companies (Audit and Auditors) Rules, 2014 made thereunder and other applicable rules, if any, under the said Act (including any statutory modification(s)

or re-enactment thereof for the time being in force) M/s. Monu Jain & Company, Chartered Accountants (Firm Registration No.327900E), be and is hereby re-appointed as the Statutory Auditors of the Company for a second term of 5 consecutive years commencing from the conclusion of this Annual General Meeting till the conclusion of thirty second Annual General Meeting at a remuneration to be fixed by the Audit Committee and/or Board of Directors of the Company.”

SPECIAL BUSINESS:

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

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

“RESOLVED THAT in accordance with the provisions of Section 149 read with Schedule IV of the Companies Act, 2013, and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, or any amendment thereto or modification thereof, this Meeting hereby approves the re-appointment of Mrs. Minoti Nath (DIN: 07017530) as an Independent Director of the Company for second term of five years with effect from 14th November, 2019.”

5. Appointment of Mr. Sandip Sarkar (DIN: 08527653), as an Independent Director for a term of five years.

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

Notice (contd.)

“RESOLVED THAT Mr. Sandip Sarkar (DIN: 08527653), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 14th August, 2019 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, be and is hereby appointed as an Independent Director of the Company pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with

Schedule IV of the Companies Act, 2013 to hold office for five consecutive years up to 13th August, 2024.”

By Order of the Board

**Kaushalya Infrastructure Development
Corporation Ltd**

Sanjay Lal Gupta
Company Secretary

Dated: August 14, 2019

Registered Office:

HB-170, Sector III, Salt Lake

Kolkata-700106

CIN-L51216WB1992PLC055629

Phone - 033-23344148

Email - info@kaushalya.net

Notice (contd.)

Notes

1. **A member entitled to attend and vote at the Annual General Meeting (AGM) may appoint a Proxy to attend and vote on a poll on his/her behalf and the proxy need not be a member of the Company. The proxy form, in order to be effective, must be duly signed, stamped, completed and lodged with the Registered Office of the Company not less than 48 hours before the commencement of the Annual General Meeting (AGM).**

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 24th September, 2019 to 30th September, 2019 (both days inclusive).
3. Members who hold shares in dematerialized form are requested to bring their De-mat Statement mentioning therein the Client ID and DP ID numbers along with a Photo Identity Card for easy identification of attendance at the meeting.
4. 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.
5. Shareholders holding shares in physical form

are requested to intimate the Company and the members holding shares in dematerialized form are requested to intimate their Depository Participants immediately about any change in their address.

6. 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 sub-section 'Others' of section 'Investor Relationship'.
7. Electronic copy of the Notice of the 27th Annual General Meeting (AGM) along with the Annual Report 2018- 19 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 27th Annual General Meeting (AGM) along with the Annual Report 2018- 19 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.
8. Members may also note that the Notice of 27th Annual General Meeting (AGM) and the Annual Report 2018-19 will also be available on Company's website: www.kaushalya.net under the sub-section 'Financials' of section 'Investor Relationship' for download.
9. The members who have not yet registered their e-mail address are requested to do so to

Notice (contd.)

- support the green initiative in the Corporate Governance.
10. All documents referred to in the accompanying Notice shall be open for inspection at the Registered Office of the Company during normal business hours on all working days except Saturdays and Sundays.
 11. 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 then 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 shares in demat mode are requested to provide the above information to their depository participant.
 12. 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 de-mat accounts. Members holding shares in physical form can submit their PAN details to the Company/RTA for registration of transmission/ transposition, deletion of name etc.
 13. A statement containing details of the Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed.
 14. 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 Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is pleased to provide the facility of remote e-voting to all members, for which purpose the Company has engaged the services of National Securities Depository Limited (NSDL).
 15. Voting rights will be reckoned on the paid-up value of shares registered in the name of the Members as on 23rd September, 2019 (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 paper voting at the Annual General Meeting (AGM).
 16. The facility for voting through ballot paper will also be made available at the Annual General Meeting (AGM) and the members attending the Annual General Meeting (AGM) who have not casted their vote through remote e-voting shall be able to exercise their right to vote at the Annual General Meeting (AGM) through ballot paper. The members who have already cast their vote through remote e-voting can attend Annual General Meeting (AGM) but shall not be entitled to cast their votes again.

Notice (contd.)

17. 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 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the 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 i.e. (“remote e-voting”) from a place other than venue of the Annual General Meeting (AGM) will be provided by National Securities Depository Limited (NSDL).

II. The facility for voting through ballot paper shall be made available at the Annual General Meeting (AGM) and the members attending the meeting who have not cast their votes by remote e-voting shall be able to exercise their right of voting at the Annual General Meeting (AGM) through ballot paper.

III. The members who have casted their vote by remote e-voting prior to the Annual General Meeting (AGM) may also attend the Annual General Meeting (AGM) but shall not be entitled to cast their vote again.

IV. The remote e-voting period commences on 27th September, 2019 (9:00 am) and

ends on 29th September, 2019 (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 23rd September, 2019, 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:

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

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

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

Details on Step 1 is mentioned below:

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can

Notice (contd.)

log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. **Your User ID details are given below :**

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

Your User ID is:

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

8 Character DP ID followed by 8 Digit Client ID

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

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

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

16 Digit Beneficiary ID

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

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

- c) For Members holding shares in Physical Form.

EVEN Number followed by Folio Number registered with the Company

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

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.

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

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

- (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

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

Notice (contd.)

forgotten your password:

- a) Click on “Forgot User Details/ Password?” (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **“Physical User Reset Password?”** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
 8. Now, you will have to click on “Login” button.
 9. After you click on the “Login” button, Home page of e-Voting will open.

Details on Step 2 is given below:

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

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the Companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of Company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to csmdshah@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful

Notice (contd.)

attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

VI. 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).

VII. 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 23rd September, 2019.

VIII. 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. 23rd September, 2019, may obtain the Login ID and Password by sending a request at evoting@nsdl.co.in or RTA at rta@cbmsl.com.

IX. 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 Annual General Meeting (AGM) through ballot paper.

X. Mr. Md. Shahnawaz, a Practicing Company Secretary (Membership No. 21427, COP. No. 15076) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

XI. The Chairman shall, at the Annual General Meeting (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” for all those members who are present at the Annual General Meeting (AGM) but have not cast their votes by availing the remote e-voting facility.

XII. The Scrutinizer shall after the conclusion of voting at the Annual General Meeting (AGM), 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.

XIII. The Results declared along with the report of the Scrutinizer shall be placed on the website of Company i.e. 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 National Stock Exchange of India Ltd and BSE Ltd.

Notice (contd.)

EXPLANATORY STATEMENT

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

Item No. 4.

The Members at the 23rd Annual General Meeting held on 29th September, 2015 approved the appointment of Mrs. Minoti Nath (DIN: 07017530), as an Independent Director of the Company for a period of five years with effect from 13th November, 2014. Mrs. Nath will complete her present term on 13th November, 2019.

The Board of Directors of the Company ('the Board') at the meeting held on 14th August, 2019 on the recommendation of the Nomination & Remuneration Committee, recommended for the approval of the Members, the re-appointment of Mrs. Nath as an Independent Director of the Company with effect from 14th November, 2019, in terms of Section 149 read with Schedule IV of the Companies Act, 2013 ('the Act'), and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations 2015'), or any amendment thereto or modification thereof.

The Board is of the view that the continued association of Mrs. Nath would benefit the Company, given the knowledge, experience and performance of Mrs. Nath, and contribution to Board processes by her. Declaration has been received from Mrs. Nath that she meets the criteria of Independence prescribed under Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 of the Listing Regulations 2015. In the opinion of the Board, Mrs. Nath fulfills the conditions specified in the Act, the Rules thereunder and the Listing Regulations, 2015 for re-appointment as an Independent Director and that she is independent of the management of the Company.

Consent of the Members by way of Special Resolution is required for re-appointment of Mrs. Nath, in terms of Section 149 of the Act. Consent has been filed by Mrs. Nath pursuant to Section 152 of the Act.

Mrs. Minoti Nath (DIN: 07017530), none of the other Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this

Special Resolution.

The Board recommends this Special Resolution for your approval.

Item No. 5

At the Board Meeting of the Company held on 14th August, 2019, the Board had, based on the recommendations of the Nomination and Remuneration Committee, appointed Mr. Sandip Sarkar (DIN: 08527653) as an Additional Director in the capacity of Non-Executive Independent Director with effect from 14th August, 2019 under Section 161(1) of the Companies Act, 2013 read with Article 116 of the Articles of Association of the Company. He holds office up to the date of ensuing Annual General Meeting of the Company and is eligible for appointment as Independent Director for five consecutive years up to 13th August, 2024. Mr. Sandip Sarkar is a Director whose period of office is not liable to determination by retirement of Directors by rotation under section 159 of the Companies Act, 2013.

In the opinion of the Board, he fulfills the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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.

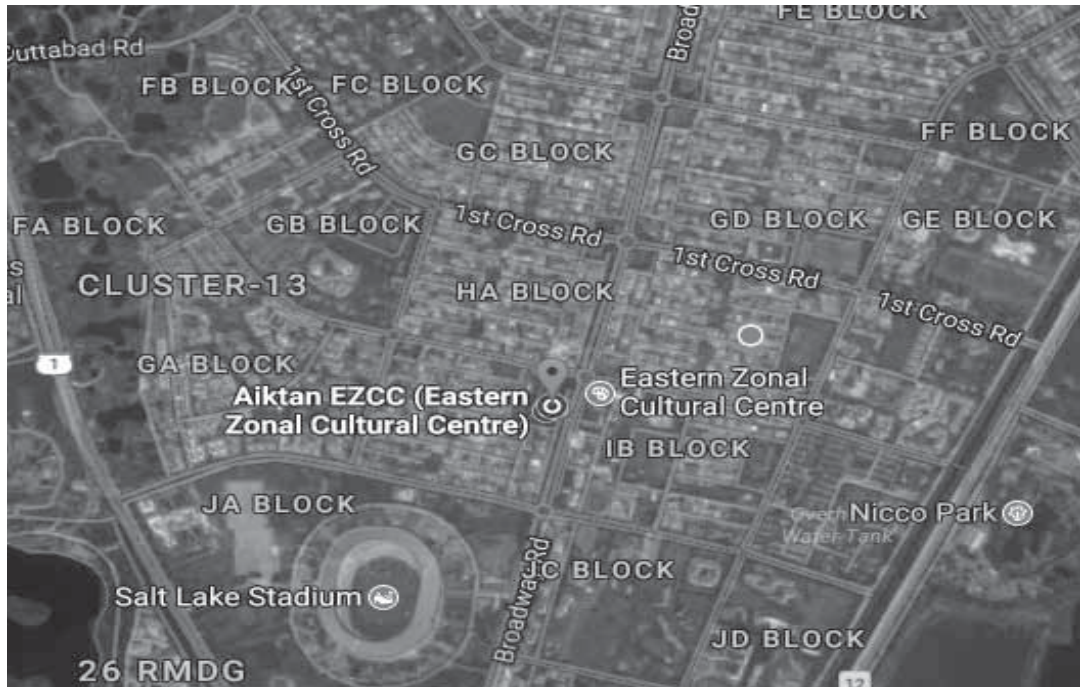
Details regarding Mr. Sandip Sarkar (DIN: 08527653) and his brief resume is given in the Annexure attached to the Notice. Keeping in view his experience and expertise, the Board of Directors recommends the proposed Ordinary Resolution for approval of the members.

Mr. Sandip Sarkar (DIN: 08527653), none of the other Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this Ordinary Resolution.

The Board recommends this Ordinary Resolution for your approval.

Notice (contd.)

Route Map to the venue of the 27th AGM of Kaushalya Infrastructure Development Corporation Limited



**“Aikatan”, EZCC, IA-290,
Sector-III, Salt Lake,
Kolkata - 700 097**

Notice (contd.)

Details of Directors seeking appointment / reappointment at the forthcoming Annual General Meeting [In pursuance of Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.]

Particulars	Mrs. Minoti Nath	Mr. Sandip Sarkar
Date of Birth	July 28, 1956	January 2, 1956
Date of 1st Appointment on the Board	November 13, 2014	August 14, 2019
Educational Qualification	Bachelor of Arts	Post Diploma from AIHB, Govt. of India
Expertise in specific functional areas	Extensive expertise in Management and Operation of Diverse nature of Business. She also runs her own boutique business.	Extensive expertise in Management and operation. He has served for more than 38 years as Technical Officer, Assistant Manager (Technical), District Handloom officer and Assistant Director for various Depts./ Organization under Govt. of West Bengal
Directorship in other Companies as on March 31, 2019	Bengal KDC Housing Development Limited	N.A.
Chairman/ Member in the Committees of the Boards of the companies as on March 31, 2019	Chairman: None Member: Bengal KDC Housing Development Limited (i) Audit Committee (ii) Nomination and Remuneration Committee	N.A.
Number of shares held as on March 31, 2019	N.A.	N.A.
Inter se relation between Directors'	Not Related	Not Related

Directors' Report

Dear Shareholders,

The Directors are pleased to present the 27th Annual Report together with the Audited Accounts for the financial year ended March 31, 2019.

Financial Performance

The Financial performance of the Company, for the year ended March 31, 2019 is summarized below:-

(` In Lakhs)

Particulars	Standalone				Consolidated			
		31.03.19		31.03.18		31.03.19		31.03.18
Contract Revenue & Other Income		2,625.28		35.62		2,662.80		64.50
Profit before Depreciation, Interest & Tax		1,753.49		(53.55)		1,763.23		(48.27)
Less : Depreciation	43.59		42.83		43.59		44.41	
Interest	57.94	101.53	15.55	58.38	0.32	43.91	6.71	51.12
Profit Before Tax		1,651.96		(111.93)		1,719.32		(99.40)
Less : Provision for Tax								
Current Tax	-		-		17.64		2.34	
Deferred Tax	(600.68)		(13.38)		(608.43)		(13.38)	
Prior Years Tax	-		-		0.01		0.01	
Total Income Tax for Year		(600.68)		(13.38)		(590.78)		(11.03)
Net Profit/(Loss) After Tax		2,252.64		(98.55)		2,249.47		(98.79)
Less : Minority Interest		-		-		28.03		5.08
Add: Share of Profit of Associate		-		-		(60.63)		(10.43)
Net Profit After Minority Interest		-		-		2,251.91		(98.79)
Balance b/f from previous year		(6,209.13)		(6,110.58)		(6,227.15)		(6,123.27)
Balance available for appropriations		(3,956.50)		(6,209.13)		(4,003.27)		(6,227.15)
APPROPRIATIONS								
Transfer to General Reserve		-		-		-		-
Balance Carried to Balance Sheet		(3,956.50)		(6,209.13)		(4,003.27)		(6,227.15)

State of Affair & Operations Review

During the year under review on a Standalone basis the Company has registered total income from operation of ` 2,625.28 Lakhs as against ` 35.62 Lakhs in the previous year. The Company has finally paid the settlement amount with regard to the loan of State Bank of India taken over by Alchemist Asset Reconstruction Company Ltd. -Trust-VII (AARC) and a No Dues Certificate was also received in this regard. Related write-back is reflected in Other Income. Further, the Company continues to make its quarterly installments with respect to the restructured loan of Indian Overseas Bank taken over by AARC as per terms of the sanction letter. The profit before depreciation, interest and tax for the year stood to 1,753.49 Lakhs as compared to ` (53.55) Lakhs in previous year. The PAT for the F.Y 2018-19 is ` 2,252.64 Lakhs against previous F.Y PAT which was ` (98.55) Lakhs.

Directors' Report (contd.)

On Consolidated basis, during the year under review the Total Income of the Company stood to ` 2,662.80 Lakhs as against ` 64.50 Lakhs in the previous year. The EBITDA of the Company stood at ` 1,763.23 Lakhs for the F.Y 2018-19 as compared to ` (48.27) Lakhs in the previous year.

Dividend

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

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.

Material Changes and Commitments after the Balance Sheet Date

The Company is duly paying its quarterly installments with respect to the settled account of Indian Overseas Bank amount to Alchemist Asset Reconstruction Company Ltd. (Trust-VII) as per agreed terms and conditions contained in the sanction letter.

The Company has also received an award from the sole arbitrator in respect to the contract litigation to the tune of ` 1,306 Lakhs including interest in April 2019. The respondent has meanwhile informed the Company that they are in the process of filing an appeal against the same.

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

Subsidiary Companies & Associate Companies

As on 31st March 2019, the Company's subsidiaries, step down subsidiaries, associates and joint venture are as follows:

Its subsidiaries/step down-subsidiaries

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

Its associates

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

Its joint venture

1. KIDCO NACC

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

Directors' Report (contd.)

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

Consolidated financial statements

In accordance with Section 129(3) of the Companies Act, 2013, the Company has prepared Consolidated Financial Statements of the Company and of all its 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 under the sub-section “Others” of section “Investor Relationship” and copy of separate audited financial statements of its subsidiaries will be provided to the shareholders on request.

Listing of equity shares

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

Change in Share Capital

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

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

Transfer to Investor Education and Protection Fund.

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

Employee Stock Option Scheme

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

Director

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

Mrs. Minoti Nath (DIN-07017530) was appointed as an Independent Director of the Company for a period of five years with effect from 13th November, 2014. Mrs. Nath will complete her present term on 13th November, 2019. Consent of the Members by way of Special Resolution is required for re-appointment of Mrs. Nath, in terms of Section 149 of the Act. Consent has been filed by Mrs. Nath pursuant to Section 152 of the Act. Mrs. Nath will be re-appointed as an Independent Director of the Company for a period of five years with effect from 14th November, 2019.

Mr. Sandip Sarkar (DIN: 08527653) was appointed as an Additional Director of the Company in the category of Independent Director by the Board in its meeting held on 14th August, 2019. He shall hold office up to the date of ensuing Annual General Meeting of the Company and will be eligible for appointment as Independent Director.

Directors' Report (contd.)

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

As on 31st March, 2019, Mr. Mahesh Mehra (DIN 00086683), is the Whole-time Director of the Company, Mrs. Minoti Nath (DIN- 07017530) is the Woman Independent Director of the Company, Mr. Asoke Das (DIN- 07691831) is the Independent Director of the Company.

The Company received an email on 6th June, 2019 and subsequently a letter on 8th June, 2019 from Mr. Om Prakash Agrawal, brother of erstwhile director Late Mr. Anil Kumar Agarwal (DIN- 06844213) stating that Mr. Anil Agarwal had passed away on 22nd April, 2019.

Key Managerial Personnel

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

- (a) Mr. Mahesh Mehra, Whole-time Director
- (b) Mr. Tarak Nath Mishra, Chief Financial Officer
- (c) Mr. Sanjay Lal Gupta, Company Secretary

Loan/Advances

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

Directors' Responsibility Statement

The Board of Directors of the Company acknowledges the responsibility for ensuring compliance with the provisions of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 with the Stock Exchanges in the preparation of the annual accounts for the year ended 31st March, 2019 and state that:

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

Directors' Report (contd.)

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

Particulars of remuneration of employees

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

Fixed Deposits

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

Number of meetings of the Board

The Board met 5 (Five) 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 that had not accepted the recommendations of the Audit Committee.

Whistleblower / Vigil Mechanism Policy

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

Risk Management Policy

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

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

Nomination & Remuneration Committee

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

Directors' Report (contd.)

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.

Board Evaluation

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

Inter-corporate loans, guarantees and investments

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

Related Party Transactions

In line with the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a Policy on Related Party Transactions which is also available on the Company's website at the web link: <http://www.kaushalya.net/KIDCORELATED.pdf>. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties. All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions on a quarterly basis for transactions which are of repetitive nature and / or entered in the Ordinary Course of Business and are at Arm's Length. All Related Party Transactions are subjected to independent review by a reputed accounting firm to establish compliance with the requirements of Related Party Transactions under the Companies Act, 2013, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All Related Party Transactions entered during the year were in Ordinary Course of the Business and at Arm's Length basis. No Material Related Party Transactions, i.e. transactions exceeding 10% of the annual consolidated turnover as per the last audited financial statement, were entered during the year by your Company. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) (h) of the Companies Act, 2013, in Form AOC-2 is not applicable.

Extract of annual return

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

Directors' Report (contd.)

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

With respect to SEBI's letter no. SEBI/HO/ISD/ISD/OW/P/2017/18183 dt. 07/08/2017, Ministry of Corporate Affairs (MCA) letter F.No. 03/73/2017-CL-11 dt. 09/06/2017 in respect to suspected shell Companies, NSE had issued an Interim Order no. NSE/LIST/C/2018/0014 dt. 04/01/2018 and further had appointed M/s BDO India LLP to conduct Forensic Audit on 06/02/2018 vide letter ref. no. NSE/LIST/36021. The Forensic Auditor's report was forwarded by NSE to the Company for its comments and replies on 22nd April, 2019 against which replies along with documentary evidence was submitted to NSE on 30th April, 2019 and subsequently a personal hearing was also done on 20th June, 2019 in this regard.

The Company has several litigations pending with respect to construction contracts. The Company has also received several Awards in its favour from Arbitration Tribunals but many of these have also been appealed against by the respective respondents. The Company was able to reach an out of court settlement of Rs. 105.55 Lakhs in respect to pending disputes with Ircon-Soma Tollway Pvt. Ltd. and the payment against the same was received by the Company during the financial year ended March 31, 2019.

Internal Financial Control

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

Corporate Governance

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

Management Discussion and Analysis

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

CEO/CFO Certification

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

Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Board of Directors had appointed Mr. Atul Khater, Company Secretary in Practice, as Secretarial Auditor to carry out the Secretarial Audit of the Company for the financial year 2018-19.

The Report, given by him for the said financial year in the prescribed format, is annexed to this Report as "Annexure V". The secretarial audit report does not contain any qualifications, reservation or

Directors' Report (contd.)

adverse remarks. The Company has one material unlisted subsidiary incorporated in India, namely Bengal KDC Housing Development Ltd. The Secretarial Audit Report of Mr. Atul Khater, Company Secretary in Practice, the Secretarial Auditor, for the financial year 2018-19 of Bengal KDC Housing Development Ltd in the prescribed format is annexed to the Annual Report of Bengal KDC Housing Development Ltd for the said financial year.

Auditors & Auditors' Report

At the Annual General Meeting held in the year 2016, M/s Monu Jain & Company, Chartered Accountants, (ICAI Firm Registration No. 3279004E) were appointed by the shareholders to hold office as Statutory Auditors from the conclusion of Annual General Meeting of the Company held in the year 2016 till the conclusion of Twenty Seventh Annual General Meeting of the Company to be held in the year 2019, subject to ratification of their appointment at every Annual General Meeting. The current Statutory Auditors will be re-appointed as the Statutory Auditors of the Company for a second term of five consecutive years commencing from the conclusion of this Annual General Meeting till the conclusion of thirty second Annual General Meeting at a remuneration to be fixed by the Audit Committee and/or Board of Directors of the Company.

Cost Auditors

The cost audit u/s 148 of Companies Act, 2013 read with its rule is not applicable for the Company for the financial year ended 31st March, 2019.

CSR Committee

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

Restructuring of Debts

The Debts of the Company pertaining to Indian Overseas Bank and State Bank of India were taken over by Alchemist Asset Reconstruction Company Limited - Trust - VII (AARC) vide their Assignment Agreements with lender banks dated March 24, 2017 and December 29, 2017 respectively and it became the secured creditor of the Company in place of the banks.

The Company had reached a settlement of its debts with respect to State Bank of India (SBI) and restructured its debts with respect to Indian Overseas Bank (IOB) with AARC on March 29, 2018. The Company has been able to make the full payment of settled amount in respect to debts of SBI and a No Dues Certificate was also received in this regard. As per the terms of sanction letter pertaining to debt of IOB, the Company continues to make regular installment payments of due amount as per the schedule outlined in the sanction letter.

Other Information

The Audit Committee of the Company has reviewed the audited financial statements for the year under review at its meeting held on May 30, 2019 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

Directors' Report (contd.)

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

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

Annexures forming a part of this Directors Report

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

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

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

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

Appreciation

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

For and on behalf of the Board

Dated: 14th August, 2019
Registered office:
HB-170, Sector-III, Salt Lake,
Kolkata-700106
CIN-L51216WB1992PLC055629

Mahesh Mehra
DIN : 00086683
Whole-time Director

Annexure to Directors' Report

Annexure I to the Directors' Report

FORM- AOC 1

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

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

Part "A": Subsidiaries

(` In Lakhs)

Sl. No	1	2	3	4
Name of the subsidiary	Bengal KDC Housing Dev Ltd (BKHDL)	KDC Nirman Limited (Formerly known as Bengal Kaushalya Nirman Limited (KNL))	Kaushalya Energy Private Limited (KEPL)	Azur Solar KDC Private Limited (Subsidiary of KEPL)
Reporting period	31st March, 2019	31st March, 2019	31st March, 2019	31st March, 2019
Reporting currency and Exchange rate	INR	INR	INR	INR
Share capital	20.00	20.00	10.00	1.00
Other Equity	53.60	(2.88)	(7.34)	2.43
Total assets	1,182.17	18.04	3.59	4.02
Total Liabilities	1,182.17	18.04	3.59	4.02
Investments	2.79	-	0.99	-
Turnover	94.13	1.01	-	-
Profit before taxation	67.85	0.54	(0.24)	(0.79)
Provision for taxation	15.27	(0.18)	(1.42)	(3.71)
Profit after taxation	52.58	0.72	1.18	2.92
Proposed Dividend	NIL	NIL	NIL	NIL
% of shareholding	51%	51%	95.50%	99% (Holding by KEPL)

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

- Names of subsidiaries which are yet to commence operations:
 - KDC Nirman Limited (Formerly known as Bengal Kaushalya Nirman Ltd)
 - Kaushalya Energy Private Limited
 - Azur Solar KDC Private Limited
- Names of subsidiaries which have been liquidated or sold during the year: NONE
- The Reporting date of all subsidiaries is same as that of the Company, that is, 31st March 2019.
- The Company does not have any foreign subsidiary.

For and on behalf of Board of Directors

In terms of our report attached.

For Monu Jain & Company
Firm Regn. No. 327900E
Chartered Accountants

Monu Jain
Partner
Membership No.302721
Date: May 30, 2019
Place: Kolkata

Mahesh Mehra
Whole-time Director

Tarak Nath Mishra
CFO

Sanjay Lal Gupta
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

(` In Lakhs)

Sl. No.	1	2	3	4
Name of Associates /Joint Ventures	Orion Abasaan Pvt Ltd (OAPL)	Kaushalya Nirman Pvt Ltd (KNPL)	Kaushalya Township Private Limited (KTPL)	KIDCO NACC
1. Latest audited Balance Sheet Date	31st March, 2019	31st March, 2019	31st March, 2019	31st March, 2019
2. Shares of Associate/Joint Ventures held by the company on the year end				
- No.	29,000	46,000	3,17,533	NA
- Amount of Investment in Associates/ Joint Venture (Amount in Rs)	10.90	19.40	155.08	(93.39)
- Extend of Holding %	48.33%	46.00%	48.72%	90%
3. Description of how there is significant influence	Based on the percentage of holding over these investees			
4. Reason why the associate/joint venture is not consolidated	NA	NA	NA	NA
5. Networth attributable to Shareholding as per latest audited Balance Sheet	449.90	211.76	932.39	NA
6. Profit / Loss for the year				
i. Considered in Consolidation	(11.02)	(6.22)	(43.39)	-
i. Not Considered in Consolidation	(11.78)	(7.35)	(45.78)	-

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

For and on behalf of Board of Directors

In terms of our report attached.

For Monu Jain & Company

Firm Regn. No. 327900E

Chartered Accountants

Monu Jain

Partner

Membership No.302721

Date: May 30, 2019

Place: Kolkata

Mahesh Mehra

Whole-time Director

Tarak Nath Mishra

CFO

Sanjay Lal Gupta

Company Secretary

Annexure to Directors' Report (contd.)

Annexure II to the Directors' Report

Particulars of Remuneration of Employees

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

- (i) The Percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial year 2018-19, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19 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 2018-19 (` in Lakhs)	% Increase in remuneration in the financial year 2018-19	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	Maresh Mehra (Whole-time Director)	11.40	NIL	NA	Not comparable since Company was in Loss
2	Tarak Nath Misha (Chief Financial Officer)	5.28	7.32%	NA	Not comparable since Company was in Loss
3	Sanjay Lal Gupta (Company Secretary)	2.10	11.70%	NA	Not comparable since Company was in Loss

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

- (ii) The median remuneration of employees of the Company is ` 2.20 Lakhs.
- (iii) In the financial year, the increase in the median remuneration of employees is NIL.
- (iv) There were 7 permanent employees on the rolls of the Company as on March 31, 2019;
- (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 2018-19, Company was in loss and hence not comparable;
- (vii) (a) Variation in market capitalization of the Company: The market capitalization as on March 31, 2019 was ` 2.39 crore ( ` 7.27 crore as on March 31, 2018);
- (b) Price Earnings ratio of the Company was 0.106 as at March 31, 2019 and was (7.38) as at March 31, 2018;
- (c) Percentage increase or decrease in the market quotations of the shares of the Company as compared to the rate at which the Company came out with the last public offer in the year is (98.85)%.
- (viii) Average percentile increase made in the salaries of employees other than the managerial personnel in the financial year i.e. 2018-19 was nil whereas the percentile increase in the managerial remuneration for the same financial year was 6.34%.
- (ix) Comparison of the each remuneration of the Key Managerial Personnel(s) against the performance of the Company: Not comparable since the Company was in loss during the current year.
- (x) The key parameter for any variable components of remuneration availed by Directors: Not Applicable
- (xi) The ratio of the remuneration of the highest paid Directors to that of the employees who are not Directors but received remuneration in excess of highest paid Directors during the year: Not Applicable
- (xii) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees

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

Annexure to Directors' Report (contd.)

Annexure III to the Directors' Report

Policy on Directors' Appointment and Remuneration

A. Introduction

The Nomination and Remuneration Committee of the Company has adopted the following policy and procedures with regard to identification and nomination of persons who are qualified to become Directors and who may be appointed in Senior Management.

Any appointment of Directors shall be subject to the guidelines and policy as laid down by Nomination and Remuneration Committee. The Committee will ensure that the composition of Board of Directors have an optimum combination of executive and non-executive Directors with at least one woman Director and not less than fifty percent of the Board of Directors shall comprise of non-executive Directors including Independent Directors are persons of integrity and possesses expertise knowledge.

B. Criteria for identifying persons for appointment as Directors and Senior Management.

1. Candidates for Directorship should possess appropriate qualifications, skills and expertise in one or more fields of finance, law, general corporate management, information management, science and innovation, public policy, financial services, sales & marketing and other disciplines as may be identified by the NRC and/ or the Board from time to time that may be relevant to the Company's business.
2. Such candidates for Directorship on the Board should have the following positive attributes:
 - **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** – Any bachelor degree from a recognized college or University is sufficient. But in some cases additional degree should be more preferable. However, these educational criteria are not meant to exclude an exceptional candidate who does not meet these educational criteria.
 - **Personal** –The candidate should have the capability to represent the Company to the stakeholders. He should possess a high level of integrity, ethics, credibility and trustworthiness and he should be of the highest moral and ethical character.
 - **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.
 - **Compliance** - The Candidate should meet the compliance requirements as prescribed under the Companies Act, 2013, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other Rules & Regulations or standards set out by the Company.

Candidates for Independent Directors on the Board of the Company should comply with the criteria for Independence as stipulated under the Companies Act, 2013 and the Regulations as amended or re-enacted or notified from time to time. Such candidates should also comply with other applicable regulatory requirements relating to Independence or as may be laid down by the Board from time to time.

- **Selection and Orientation of New Directors**

The committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as a Director. The person who is proposed to be appointed as a Director, the committee shall identify the Candidates for the Board and recommend them for appointment by Board

Annexure to Directors' Report (contd.)

and subsequently for approval by the shareholders as prescribed under the law. The Directors shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013 rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other enactment for the time being in force.

- **Assessing Performance of Board and Committees**

The Board of Directors has carried out an annual evaluation of its own performance, its committee and individual Directors in pursuant to the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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. The performance evaluation of the Independent Directors was carried out by the entire Board and the performance evaluation of the Chairman and Non-independent Directors was carried out by the Independent Directors.

C. Key Managerial Personnel (KMP)

The Nomination & Remuneration Committee (NRC) shall consider the recommendations of the Management while evaluating the selection of executives in Senior Management. The NRC may also identify potential candidates for appointment to Senior Management through referrals and recommendation from past and present member. The 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 shall periodically (on quarterly basis) review the effectiveness of this policy and recommend any revisions that may be required to this policy to the Board for consideration and approval.

Dated: 14th August, 2019
Registered office:
HB-170, Sector-III
Salt Lake, Kolkata-700106
CIN-L51216WB1992PLC055629

Mahesh Mehra
DIN: 00086683
Whole-time Director

Annexure to Directors' Report (contd.)

Annexure IV to the Directors' Report

FORM No. MGT 9

Extract of Annual Return

As on the financial year ended on March 31, 2019

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

I. REGISTRATION & OTHER DETAILS

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

SL. NO.	NAME & ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	BENGAL KDC HOUSING DEVELOPMENT LIMITED 171/1A, Rash Behari Avenue, Kolkata- 700019	U70101WB2006PLC110153	Subsidiary	51.00	2(87)(II)
2	KDC NIRMAN LIMITED (FORMERLY KNOWN AS BENGAL KAUSHALYA NIRMAN LIMITED) 69, Girish Park North, Kolkata- 700006	U70100WB2008PLC123501	Subsidiary	51.00	2(87)(II)
3	KAUSHALYA ENERGY PRIVATE LIMITED 69, Girish Park North, Kolkata- 700006	U40104WB2008PTC129344	Subsidiary	95.50	2(87)(II)
4	AZUR SOLAR KDC PRIVATE LIMITED 69, Girish Park North, Kolkata- 700006	U31908WB2010PTC148514	Subsidiary	99.00	2(87)(II)
5	KAUSHALYA NIRMAN PRIVATE LIMITED 69, Girish Park North, Kolkata- 700006	U70101WB2006PTC111321	Associate	46.00	2(6)

Annexure to Directors' Report (contd.)

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

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

(i) Category- wise Share Holding

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

Annexure to Directors' Report (contd.)

Category of Shareholder	Number of shares held at the beginning of the year				Number of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
2. Non-institutions									
(a) Bodies Corporate									
(i) Indian	3104220	0	3104220	8.9638	2776222	0	2776222	8.0167	(0.9471)
(ii) Overseas	0	0	0	0	0	0	0	0	-
(b) Individuals									
(i) Individual shareholders holding nominal share capital up to ` 1 lakh	9901631	1260	9902891	28.5958	9916283	560	9916843	28.6360	0.0403
(ii) Individual shareholders holding nominal share capital in excess of ` 1 lakh.	3508386	0	3508386	10.1309	3831155	0	3831155	11.0629	0.9320
(c) Others (specify)									
(c-i) Non-Resident Individuals	230972	0	230972	0.6670	271296	0	271296	0.7834	0.1164
(c-ii) Clearing Members	77687	0	77687	0.2243	28640	0	28640	0.0827	(0.1416)
Sub-Total (B)(2)	16822896	1260	16824156	48.5817	16823596	560	16824156	48.5817	-
Total Public Shareholding (B) = (B)(1)+(B)(2)	16822896	1260	16824156	48.5817	16823596	560	16824156	48.5817	-
C. Shares held by Custodians for GDRs & ADRs	0	0	0	0	0	0	0	0	-
GRAND TOTAL (A)+(B)+(C)	34629370	1260	34630630	100.0000	34629370	560	34630630	100.0000	-

(ii) Shareholdings of Promoters

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year			Shareholding at the end of the year			% change during the year
		No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	
1	Mahanti Engineers Pvt Ltd.	5307600	15.33	3.18	5307600	15.33	3.18	-
2	Sun Kissed Merchandise Pvt. Ltd.	5022900	14.50	0	5022900	14.50	0	-
3	Keleenworth Marketing Pvt. Ltd.	4336350	12.52	0	4336350	12.52	0	-
4	Prashant Mehra	917760	2.65	0.28	917760	2.65	0.28	-
5	Ramesh Kumar Mehra HUF	838000	2.42	0	838000	2.42	0	-
6	Rahul Mehra	392434	1.13	0	392434	1.13	0	-
7	Mohini Mehra	154600	0.45	0	154600	0.45	0	-
8	Pranav Mehra	134410	0.39	0	134410	0.39	0	-
9	Kartik Mehra	112000	0.32	0	112000	0.32	0	-
10	Anuradha Mehra	97140	0.28	0	97140	0.28	0	-
11	Neeru Mehra	89100	0.26	0	89100	0.26	0	-

Annexure to Directors' Report (contd.)

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year			Shareholding at the end of the year			% change during the year
		No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	
12	Ramesh Kumar Mehra-Karta of BaijNath Mehra (HUF)	72500	0.21	0	72500	0.21	0	-
13	Raghav Mehra	72500	0.21	0	72500	0.21	0	-
14	Karan Mehra	60740	0.18	0	60740	0.18	0	-
15	Mahesh Mehra	48110	0.14	0.14	48110	0.14	0.14	-
16	Sidh Nath Mehra HUF	44000	0.13	0	44000	0.13	0	-
17	Mahesh Mehra HUF	35000	0.1	0	35000	0.1	0	-
18	Purnima Mehra	31320	0.09	0	31320	0.09	0	-
19	Ramesh Kumar Mehra	30010	0.09	0.09	30010	0.09	0.09	-
20	Pooja Mehra	10000	0.03	0	10000	0.03	0	-
	Total	17806474	51.42	3.68	17806474	51.42	3.68	-

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

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

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

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Indian Infotech and Software Limited				
	At the beginning of the year (01/04/2018)	15,00,000.00	4.33	15,00,000	4.33
	At the end of the year (31/03/2019)	-	-	15,00,000	4.33
2	Trilok Advisory Pvt. Ltd.				
	At the beginning of the year (01/04/2018)	8,06,167	2.33	8,06,167	2.33
	At the end of the year (31/03/2019)	-	-	8,06,167	2.33

Annexure to Directors' Report (contd.)

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
3	Kalyan Kumar				
	At the beginning of the year (01/04/2018)	2,00,000	0.58	2,00,000	0.58
	Transfer on 29/06/2018	1,000	0	2,01,000	0.58
	At the end of the year (31/03/2019)	-	-	2,01,000	0.58
4	Manish Kumar Aggarwal				
	At the beginning of the year (01/04/2018)	1,08,800	0.31	1,08,800	0.31
	At the end of the year (31/03/2019)	-	-	1,08,800	0.31
5	Daksha Vishanji Kotak				
	At the beginning of the year (01/04/2018)	1,04,646	0.3	1,04,646	0.3
	Transfer on 22/03/2019	1,04,646	0.3	0	0
	At the end of the year (31/03/2019)	-	-	-	-
6	Bharat R Mehta HUF				
	At the beginning of the year (01/04/2018)	1,01,900	0.29	1,01,900	0.29
	At the end of the year (31/03/2019)	-	-	1,01,900	0.29
7	Bommineni Murali				
	At the beginning of the year (01/04/2018)	1,00,000	0.29	1,00,000	0.29
	At the end of the year (31/03/2019)	-	-	1,00,000	0.29
8	Praveen Kumar Agarwal				
	At the beginning of the year (01/04/2018)	1,00,000	0.29	1,00,000	0.29
	Transfer on 25/05/2018	49,525	0.14	50,475	0.15
	At the end of the year (31/03/2019)	-	-	50,475	0.15
9	Ajmera Associates Ltd.				
	At the beginning of the year (01/04/2018)	78,248	0.23	78,248	0.23
	At the end of the year (31/03/2019)	-	-	78,248	0.23
10	LSC Securities Limited				
	At the beginning of the year (01/04/2018)	76,254	0.22	76,254	0.22
	Transfer on 06/04/2018	6,000	0.02	82,254	0.24
	Transfer on 27/04/2018	636	0	82,890	0.24
	Transfer on 18/05/2018	5,400	0.02	77,490	0.22

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
	Transfer on 15/06/2018	5,000	0.01	72,490	0.21
	Transfer on 22/06/2018	500	0	71,990	0.21
	Transfer on 13/07/2018	3,411	0.01	75,401	0.22
	Transfer on 24/08/2018	25,300	0.07	1,00,701	0.29
	Transfer on 17/09/2018	1,830	0.01	1,02,531	0.3
	Transfer on 14/09/2018	670	0	1,03,201	0.3
	Transfer on 05/10/2018	36,566	0.11	66,635	0.19
	Transfer on 02/11/2018	989	0	65,646	0.19
	Transfer on 01/02/2019	31,434	0.09	34,212	0.1
	Transfer on 29/03/2019	25,000	0.07	9,212	0.03
	At the end of the year (31/03/2019)	-	-	9,212	0.03
11	Edelweiss Broking Ltd				
	At the beginning of the year (01/04/2018)	75,723	0.22	75,723	0.22
	Transfer on 06/04/2018	200	0	75,523	0.22
	Transfer on 13/04/2018	1,000	0	76,523	0.22
	Transfer on 25/05/2018	2,350	0.01	74,173	0.21
	Transfer on 08/06/2018	6,814	0.02	80,987	0.23
	Transfer on 22/06/2018	8,703	0.03	72,284	0.21
	Transfer on 29/06/2018	21,297	0.06	50,987	0.15
	Transfer on 27/07/2018	25,002	0.07	25,985	0.08
	Transfer on 24/08/2018	6,617	0.02	19,368	0.06
	Transfer on 31/08/2018	354	0	19,722	0.06
	Transfer on 26/10/2018	596	0	20,318	0.06
	Transfer on 23/11/2018	976	0	19,342	0.06
	Transfer on 21/12/2018	12,560	0.04	6,782	0.02
	Transfer on 04/01/2019	4,032	0.01	2,750	0.01
	At the end of the year (31/03/2019)	-	-	2,750	0.01
12	Shri Parasram Holdings Pvt.Ltd.				
	At the beginning of the year (01/04/2018)	72,707	0.21	72,707	0.21
	Transfer on 06/04/2018	1,700	0	71,007	0.21
	Transfer on 13/04/2018	400	0	71,407	0.21
	Transfer on 20/04/2018	500	0	71,907	0.21
	Transfer on 27/04/2018	200	0	71,707	0.21

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
	Transfer on 04/05/2018	21,300	0.06	50,407	0.15
	Transfer on 11/05/2018	680	0	51,087	0.15
	Transfer on 18/05/2018	120	0	51,207	0.15
	Transfer on 08/06/2018	1,194	0	52,401	0.15
	Transfer on 22/06/2018	540	0	52,941	0.15
	Transfer on 29/06/2018	385	0	53,326	0.15
	Transfer on 30/06/2018	2,896	0.01	50,430	0.15
	Transfer on 06/07/2018	300	0	50,730	0.15
	Transfer on 13/07/2018	800	0	51,530	0.15
	Transfer on 20/07/2018	950	0	50,580	0.15
	Transfer on 27/07/2018	6,500	0.02	44,080	0.13
	Transfer on 03/08/2018	3,400	0.01	40,680	0.12
	Transfer on 10/08/2018	130	0	40,810	0.12
	Transfer on 17/08/2018	1,249	0	42,059	0.12
	Transfer on 24/08/2018	7,964	0.02	50,023	0.14
	Transfer on 31/08/2018	3,150	0.01	46,873	0.14
	Transfer on 07/09/2018	623	0	46,250	0.13
	Transfer on 14/09/2018	1,623	0	47,873	0.14
	Transfer on 20/09/2018	900	0	48,773	0.14
	Transfer on 21/09/2018	50	0	48,723	0.14
	Transfer on 28/09/2018	633	0	48,090	0.14
	Transfer on 05/10/2018	627	0	47,463	0.14
	Transfer on 12/10/2018	1,084	0	46,379	0.13
	Transfer on 19/10/2018	289	0	46,090	0.13
	Transfer on 26/10/2018	300	0	46,390	0.13
	Transfer on 02/11/2018	2,050	0.01	48,440	0.14
	Transfer on 16/11/2018	860	0	49,300	0.14
	Transfer on 23/11/2018	610	0	48,690	0.14
	Transfer on 30/11/2018	101	0	48,791	0.14
	Transfer on 07/12/2018	410	0	49,201	0.14
	Transfer on 14/12/2018	2,089	0.01	51,290	0.15
	Transfer on 21/12/2018	2,800	0.01	54,090	0.16
	Transfer on 28/12/2018	500	0	54,590	0.16
	Transfer on 31/12/2018	4,000	0.01	58,590	0.17
	Transfer on 04/01/2019	5,590	0.02	64,180	0.19

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
	Transfer on 11/01/2019	2,306	0.01	66,486	0.19
	Transfer on 18/01/2019	5,000	0.01	71,486	0.21
	Transfer on 25/01/2019	1,997	0.01	69,489	0.2
	Transfer on 08/02/2019	3,003	0.01	66,486	0.19
	Transfer on 15/02/2019	205	0	66,281	0.19
	Transfer on 22/02/2019	2,050	0.01	64,231	0.19
	Transfer on 01/03/2019	448	0	64,679	0.19
	Transfer on 08/03/2019	7,949	0.02	56,730	0.16
	Transfer on 15/03/2019	450	0	57,180	0.17
	Transfer on 22/03/2019	2,072	0.01	59,252	0.17
	Transfer on 29/03/2019	5,983	0.02	65,235	0.19
	At the end of the year (31/03/2019)	-	-	65,235	0.19
13	Daksha Kotak				
	At the beginning of the year (01/04/2018)	-	-	-	-
	Transfer on 22/03/2019	1,04,646	0.3	1,04,646	0.3
	At the end of the year (31/03/2019)	-	-	1,04,646	0.3

(v) Shareholding of Directors & Key Managerial Personnel

Sl. No	Name of Director and KMP	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
1	Mr. Mahesh Mehra - Whole-time Director				
	At the beginning of the year	48,110	0.14	48,110	0.14
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	No change during the year			
	At the end of the year	48,110	0.14	48,110	0.14
2	Mrs. Minoti Nath - Independent Director				
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	No change during the year			
	At the end of the year	0	0	0	0

Annexure to Directors' Report (contd.)

3	Mr. Anil Kumar Agarwal - Independent Director (Mr. Anil Kumar Agarwal passed away and ceased to be an Independent Director of the Company w.e.f. April 22, 2019)	No. of shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	No change during the year			
	At the end of the year	0	0	0	0
4	Mr. Asoke Das - Independent Director	No. of shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	No change during the year			
	At the end of the year	0	0	0	0
5	Mr. Sandip Sarkar - Independent Director (Appointed as on August 14, 2019)	No. of shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	No change during the year			
	At the end of the year	0	0	0	0
6	Mr. Tarak Nath Mishra - Chief Financial Officer	No. of shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	1,500	0	1,500	0
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	No change during the year			
	At the end of the year	1,500	0	1,500	0
7	Mr. Sanjay Lal Gupta - Company Secretary	No. of shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	No change during the year			
	At the end of the year	0	0	0	0

Annexure to Directors' Report (contd.)

V. INDEBTEDNESS

(₹ In Lakhs)

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	5,775.05	561.12	-	6,336.17
ii) Interest due but not paid	-	8.88	-	8.88
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	5,775.05	570	-	6,345.05
Change in Indebtedness during the financial year				
Additions	-	116.05	-	116.05
Reduction	2,628.43	-	-	2,628.43
Net Change	(2,628.43)	116.05	-	(2,512.38)
Indebtedness at the end of the financial year				
i) Principal Amount	3,146.61	677.17	-	3,823.78
ii) Interest due but not paid	-	60.74	-	60.74
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	3,146.61	737.91	-	3,884.52

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

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

Annexure to Directors' Report (contd.)

B. Remuneration to other directors:

(₹ In Lakhs)

Sl. No	Particulars of Remuneration	Name of Independent Directors				Total Amount
		Mrs. Minoti Nath	Mr. Anil Kumar Agarwal (Mr. Anil Kumar Agarwal passed away and ceased to be an Independent Director of the Company w.e.f. April 22, 2019)	Mr. Asoke Das	Mr. Sandip Sarkar (Appointed as on 14th August, 2019)	
(a)	Fee for attending board/committee meetings	0.44	0.30	0.44	-	1.18
(b)	Commission	--	--	--	--	--
(c)	Others, please specify	--	--	--	--	--
Total (B)		0.44	0.30	0.44	-	1.18
Total Managerial Remuneration (A+B)		12.58				
Ceiling as per the Act: - ` 1 Lakh per meeting of the board or committee as per section 197(5) of The Companies Act, 2013 read with rule 4 of The Companies (Appointment and Remuneration of Managerial Personnel) rules, 2014.						

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

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

Annexure to Directors' Report (contd.)

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

(` In Lakhs)

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

Dated: 14th August, 2019

Registered office:

HB-170, Sector-III

Salt Lake, Kolkata-700106

CIN-L51216WB1992PLC055629

Mahesh Mehra

DIN: 00086683

Whole-time Director

Annexure to Directors' Report (contd.)

Annexure V to the Directors' Report

FORM NO. MR-3 SECRETARIAL AUDIT REPORT

(For the Financial Year ended 31st March, 2019)

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

To

The Members,

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

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

Based on my 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 ("the audit period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I 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, 2019 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), whatever applicable & to the extent applicable to the Company:-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements)

Annexure to Directors' Report (contd.)

Regulations, 2009 and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not Applicable to the Company during the audit period);

- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not Applicable to the Company during the audit period);
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable to the Company during the audit period);
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable to the Company during the audit period);
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998, as amended (Not Applicable to the Company during the audit period);
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable regulations /guidelines/circulars issued by SEBI from time to time, to the extent applicable.

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

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

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

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of executive Directors, non-executive Directors and independent Directors. The composition of Board of Directors of the Company is in conformity with the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

Adequate notice is given to all Directors to schedule the Board meetings, agenda and detailed notes on agenda were sent at least seven days in advance.

Decisions at the Board meetings were carried out unanimously.

I 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.

This Report is to be read with my letter of even date which is annexed as “**Annexure A**” and forms an integral part of this Report.

Atul Khater

Practicing Company Secretary

Membership No. : 48472

C.P. No. 19148

Place : Kolkata

Dated : 30.05.2019

Annexure to Directors' Report (contd.)

Annexure "A"

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

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

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

Atul Khater
Practicing Company Secretary
Membership No. : 48472
C.P. No. 19148

Place : Kolkata
Dated : 30.05.2019

Management Discussion and Analysis Report

INDUSTRY AND MARKET

Investment in infrastructure development has been a continued focus for the Indian Government and forms a key driver for growth. Construction of roads, highways, bridges, railway networks, power sector projects, irrigation infrastructure, urban infrastructure and port and maritime infrastructure among others have received tremendous impetus and are responsible for propelling India to become one of the fastest growing nations. This along with an improved Goods and Services Tax (GST) regime, a continued focus on increasing transparency and ease of doing business in India as well as fresh initiative towards supporting the banking sector to finance infrastructure projects has pushed the infrastructure sector in the limelight and, in turn, the country on a good growth trajectory.

The infrastructure sector is also seeing tremendous interest from foreign players. The FDI in construction sector (townships, housing, built up infrastructure and construction development projects) has soared over the past few years. In 2018 alone, infrastructure sector in India witnessed private equity and venture capital investments worth US\$ 1.97 billion. In June 2018, the Asian Infrastructure Investment Bank (AIIB) announced US\$ 200 million investment into the National Investment & Infrastructure Fund (NIIF).

Liquidity continues to be a concern for the housing and real estate sector with bank finance being tight given the overly cautious approach of public and private sector banks. However, the affordable housing segment continues to see good demand from end consumers pushed further by the government's continued support and focus on providing affordable housing for all. Rationalization of GST regimes, increased focus on smart city infrastructure and other urban development schemes of the government shall help bolster demand and in turn growth going forward.

BUSINESS STRATEGY

Your Company has seen a difficult period of losses in the past with long debtor cycles, several of whom entered litigation coupled with the increasing debt burden. With the settlement of debts relating to State Bank of India and restructuring of debts of Indian Overseas Bank with the Alchemist Asset Reconstruction Company (who had taken over the debts), the Company is now in a position to regroup its resources and focus on business growth.

In order to solve the litigations at hand, your Company continues to explore options of amicable resolution of disputes in order to avoid lengthy legal proceedings. Several of the awards that are currently pending in appeal are expected to materialize soon and funds expected to be released from them would partially be used towards settlement of the pending debts related to Indian Overseas Bank and partly towards financing new projects and business initiatives.

Your Company is continuing its focus on the hotel segment in Jhargram and plans to undertake renovation and up-gradation of the facilities. Similarly, the ageing fleet of machineries require an overhaul and your Company would allocate available financial resources after servicing of

Management Discussion and Analysis Report (*contd.*)

restructured debt obligations towards the same. Your Company also continues to explore new business opportunities and is hopeful that it would be able to take up new construction sector projects in the near future.

SWOT ANALYSIS

Strength:

The core strength of your Company lies in its experience to manage large civil and electrical construction projects and the hotel business. The systems in place and the accumulated learning from the work executed would go a long way to bolster business strategies and execution capabilities of the Company. Your Company possesses adequate credentials to bid for infrastructure projects. Further, your Company also has adequate land for expansion of the hotel facilities, which provide it with growth opportunities in that segment.

Weaknesses:

The availability of liquidity has been a key weakness for the Company. Several of the projects have continued to be in litigation and several of those litigations that have been awarded in your Company's favour mostly continue in various courts of appeal. This has resulted in continued liquidity stress, which the Company is working actively to solve by exploring out of court settlements on various litigated awards instead of protracted litigation at various forums and courts of appeals. The ageing equipment fleet requires an overhaul and several of them are tied up in litigation which your Company is actively trying to resolve.

Opportunities:

With the bank issues settled/restructured, your Company can now focus its efforts to grow both the hotel and the construction business segments. Discussions are underway for new projects in order to put the Company back on a growth path. With the infrastructure sector receiving continued focus from the government, the industry is expected to grow and with the Company's strength and experience in this field, your Company feels that it would be effectively able to convert such opportunities into profitable project ventures.

Threats

At an industry level, a systematic slowdown and sudden changes in the government policies or apathy of the banking sector towards funding infrastructure or real estate projects continues to be a threat. Sudden policy changes and rollback of tax concessions and schemes afforded to the infrastructure projects could threaten project viability. Rising prices of key raw materials with a larger focus on cash and carry and reduced trade credit could also pose as material threat towards growth. Your Company actively manages the threat of raw material price rises by factoring such contingencies in the price bids as best as possible. With the Reserve Bank of India and the Government focused on increasing

Management Discussion and Analysis Report (*contd.*)

infrastructure lending and spending, the threat of policy changes as well as slowdown is somewhat mitigated.

At a Company level, the threat of overturning litigation awards in favour of respondents whose counter claims had been rejected earlier, adverse tax litigation orders and prolonged appeals process which would keep liquidity locked in; pose as a continued threat. To mitigate the same, your Company is trying to enter into amicable out of court settlement for several such litigations while keeping highly skilled legal professionals engaged to handle the various cases. With respect to the restructured debt of IOB taken over by Alchemist Asset Reconstruction Company Ltd, failure to meet the repayment schedules due to liquidity shortages continues to be an area of concern and your Company is actively managing the same on a continuous basis to ensure arrangement of finance to meet such obligations as its first priority.

Discussion on Financial Performance of the Company

Revenue

For the financial year ended 31st March, 2019, your Company's revenue stood at Rs. 2,625.28 Lakhs as against Rs. 35.62 Lakhs in the previous year. Such rise is a result of effect of settlement of dues with respect to loan of State Bank of India.

Expenditure

Your Company's total expenditure comprising of contract & site expenses, employee benefit cost, depreciation, material consumed including other expenses was Rs. 915.38 Lakhs for year ended 31st March, 2019 as comparing to Rs. 132.02 Lakhs in the previous year. The increase in expenditure is primarily a result of loss allowance/provisions against dues from debtors and security deposits lying with them.

Interest

Interest expenses stood at Rs. 57.94 Lakhs and previous year figure was Rs. 15.54 Lakhs.

Profit before Tax (PBT)

PBT was Rs. 1,651.96 Lakhs for the current year as compared to Rs. (111.94) Lakhs in the previous year. Such profit before tax arises primarily as a result of income arising from settlement of debt with respect of loan taken from State Bank of India.

Profit after tax

Your Company's profit after tax was Rs. 2,252.64 Lakhs for the year ended March 31, 2019 from Rs. (98.56) Lakhs in the previous year.

EPS

The earnings per share for the current year stood at Rs. 6.50 as compared to Rs. (0.28) per equity share in the previous year.

Management Discussion and Analysis Report (contd.)

Consolidated Financial Statements

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

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

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

Human Resources

Given the reduced level of operations and income, your Company has actively managed its manpower to limit costs and keep it at a bare minimum pending new opportunities for business growth. However, your Company has kept intact its spirit of inclusion and transparency. Your Company also engages in necessary training and education of its employees to keep them up to speed and keep honing their skills.

Cautionary Statement

This report comprises the facts and figures along with assumptions, strategy, goal and intentions of the Company which may be “forward looking”. The Company’s actual results, performance may differ considerably from those presented herein. The Company’s performance is dependent upon global and national economic conditions, the price of commodities, business risk, change of Government’s rules and regulations.

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

Report on Corporate Governance

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

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Kaushalya Infrastructure Development Corporation Ltd. (the Company) believes in and adheres to good corporate governance practices, implements policies and guidelines, communicates and trains all its stakeholders to develop a culture of compliance at every level of the organization. The Company's philosophy is aimed at assisting the management of the Company in the efficient conduct of the business and in meeting its obligations to all its stakeholders. The Company is in compliance with the provisions of Corporate Governance specified in Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. CORPORATE GOVERNANCE GUIDELINES

The Board has adopted the Company's Guidelines on Board effectiveness to help fulfill its corporate governance responsibility towards stakeholders. These guidelines ensure that the Board will have the necessary authority and processes in place to review and evaluate the Company's operations. Further, these guidelines allow the Board to make decisions that are independent of the Management.

3. BOARD OF DIRECTORS

The Board of Directors ('the Board') is at the core of our corporate governance practice and oversees how the Management serves and protects the long-term interests of all our stakeholders. We believe that an active, well-informed and independent Board is necessary to ensure the highest standards of corporate governance.

We believe that our Board needs to have an appropriate mix of executive and independent Directors to maintain its independence, and separate its functions of governance and management. As on March 31, 2019, our Board consists of 4 Directors, one of whom is executive/ whole-time Director, while the remaining 3 are independent Directors, constituting 75% of the Board's strength — more than the requirements of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. One out of 4 Directors or 25% of the Board is woman. All Four of our Board members (100%) are Indians. The Board periodically evaluates the need for change in its composition and size

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/she is a Director. Necessary disclosures with regard to membership of committees have been made by the Directors.

Report on Corporate Governance (contd.)

The composition of the Board as on 31st March, 2019 was as under:

Name of Directors	Business relationship	DIN	Category of Directorship	No. of Directorships in other Public Limited Companies#	No. of Committee positions held in other Public Companies as ##	
					Chairman	Member
Mr. Mahesh Mehra	Whole-time Director	00086683	Promoter Non-Independent Executive	0	–	–
Mrs. Minoti Nath	Director	07017530	Independent Non-Executive	1	–	1
Mr. Anil Kumar Agarwal**	Director	06844213	Independent Non- Executive	2	–	–
Mr. Asoke Das	Director	07691831	Independent Non- Executive	1	1	–
Mr. Sandip Sarkar@	Director	08527653	Independent Non- Executive	–	–	–

NOTES:

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

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

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

** Mr. Anil Kumar Agarwal passed away and ceased to be an Independent Director of the Company w.e.f. April 22, 2019.

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

The composition of the Board and other provisions as to Board and Committees are in compliance with the Regulation 17 to Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All the independent Directors qualify the conditions for being independent Director as prescribed under Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Section 149 of the Companies Act, 2013. No Director is related to any other Director.

The Company has conducted familiarization programme for the Independent Directors of the Company. The details of familiarization programme are disseminated 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/her under the Companies

Report on Corporate Governance (contd.)

Act, 2013, Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and its amendments thereto 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 2018-19, 5 (Five) Board Meetings were held. The Company held at least one Board meeting in every quarter and the time gap between two Board meetings did not exceed 120 days as prescribed under Regulation 17(2) of SEBI (Listing Obligations and Disclosure Requirements), Regulation, 2015 and the Companies Act, 2013.

The previous Annual General Meeting was held on September 27, 2018.

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

Name of Directors	Attendance at the Board Meetings held on					Attendance at the AGM held on 27.09.2018
	30.05.2018	21.06.2018	13.08.2018	14.11.2018	14.02.2019	
Mr. Mahesh Mehra	Yes	Yes	Yes	Yes	Yes	Yes
Mrs. Minoti Nath	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Anil Kumar Agarwal**	Yes	Yes	Yes	Yes	Yes	No
Mr. Asoke Das	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Sandip Sarkar@	NA	NA	NA	NA	NA	NA

NOTES:

** Mr. Anil Kumar Agarwal passed away and ceased to be an Independent Director of the Company w.e.f. April 22, 2019.

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

4. BOARD COMMITTEES

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

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

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

Report on Corporate Governance (contd.)

i) Audit Committee

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

The Management is responsible for the Company's internal control over financial reporting and the financial reporting process. The independent Auditors are responsible for performing an independent audit of the Company's financial statements in accordance with the applicable Accounting Standards IND AS, and for issuing a report thereon. The committee's responsibility is to monitor these processes. The committee is also responsible for overseeing the processes related to financial reporting and information dissemination. This is to ensure that the financial statements are true, fair, sufficient and credible. In addition, the committee recommends to the Board the remuneration, appointment and terms of appointment of the Company's internal and independent Auditors.

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

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

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

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

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

- The Audited Financial Statements prepared in accordance with the applicable Accounting Standards of Kaushalya Infrastructure Development Corporation Limited for the year ended March 31, 2019, be accepted by the Board as a true and fair statement of the financial status of the Company.
- The Audited Consolidated Financial Statements prepared in accordance with the applicable

Report on Corporate Governance (contd.)

Accounting Standards of Kaushalya Infrastructure Development Corporation Limited and its subsidiaries for the year ended March 31, 2019, be accepted by the Board as a true and fair statement of the financial status of the Group.

- The Audited Consolidated Financial Statements prepared in Indian Rupee of Kaushalya Infrastructure Development Corporation Limited and its subsidiaries for the year ended March 31, 2019, be accepted by the Board as a true and fair statement of the financial status of the Group.
- M/s Monu Jain & Company, Chartered Accountants, (Firm Registration No. 327900E) will be re-appointed as the Statutory Auditors of the Company for a second term of 5 consecutive years commencing from the conclusion of this Annual General Meeting till the conclusion of Thirty Second Annual General Meeting at a remuneration to be fixed by the Audit Committee and/or Board of Directors of the Company.
- The appointment of Mr. Atul Khater, Company Secretary in Practice, as Secretarial Auditor for the year ending March 31, 2019 to conduct the Secretarial Audit as prescribed under Section 204 and other applicable sections of the Companies Act, 2013.

The Company has established a mechanism for Directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of our Code of Conduct and Ethics. It also provides for adequate safeguards against the victimization of employees who avails the mechanism, and allows direct access to the Chairperson of the audit Committee in exceptional cases. We further affirm that no Director or employee has been denied access to the Audit Committee during the Financial Year 2018-2019. The Whistleblower Policy is available on Company's website at the web link- <http://www.kaushalya.net/VIGIL%20MECHANISM.pdf>

Composition, Meeting and Attendance

The terms of reference of the Audit Committee are covering the matters specified for Audit Committees under Regulation 18 read with Part C of Schedule II to the Listing Regulations and Section 177 of the Act. The terms of reference of the Audit Committee include examination of Financial Statements and Statutory Auditors' report thereon and discussion of any related issues with the Internal & Statutory Auditors and the management of the Company; approval or any subsequent modification of arrangements / transactions of the Company with related parties; evaluation of internal financial controls; evaluation of risk management system; review of Company's financial reporting processes and the disclosure of financial information to ensure that the Financial Statement is correct, sufficient and credible. During the year ended 31st March, 2019, 4(Four) Audit Committee meetings were held on May 30, 2018, August 13, 2018,

Report on Corporate Governance (contd.)

November 14, 2018, and February 14, 2019. The composition and attendance of the members of the Audit Committee are as follows:

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

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

ii. Nomination and Remuneration Committee

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

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

During the year ended 31st March, 2019, no meeting of the Nomination and Remuneration Committee was held. The composition of Nomination and Remuneration Committee are as follows:

Sl. No.	Name of Directors	Position	No. of Meetings	
			Held	Attended
1	Mrs. Minoti Nath	Chairman, Independent, Non-Executive	0	0
2	Mr. Anil Kumar Agarwal**	Member, Independent, Non-Executive	0	0
3	Mr. Asoke Das	Member, Independent, Non-Executive	0	0
4	Mr. Sandip Sarkar@	Member, Independent, Non-Executive	NA	NA

** Mr. Anil Kumar Agarwal passed away and ceased to be an Independent Director of the Company w.e.f. April 22, 2019.

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

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

Report on Corporate Governance (*contd.*)

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

- Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- Formulation of criteria for evaluation of Independent Directors and the Board.
- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, key managerial personnel and other employees.
- Devising a policy on Board diversity.
- Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors

General

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

Report on Corporate Governance (contd.)

Remuneration to Managing Director/Whole-time Director:

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

Remuneration to Non- Executive & Independent Directors:

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

b) Sitting Fees:

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

c) Remuneration:

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

Remuneration to KMP and Senior Management employees:

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

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

Report on Corporate Governance (contd.)

The details of sitting fees for the Financial Year 2018-19 paid to the Non-Executive Directors & their shareholding in the Company are as under;

Sl. No.	Name of Directors	Category	Sitting fees (Rs.)		No. of shares held as on 31st March, 2019
			Board Meeting	Committee Meeting/ Separate Meeting of Independent Directors	
1	Mrs. Minoti Nath	Non-Executive, Independent	25,000/-	19,000/-	NIL
2	Mr. Anil Kumar Agarwal**	Non-Executive, Independent	25,000/-	5,000/-	NIL
3	Mr. Asoke Das	Non-Executive, Independent	25,000/-	19,000/-	NIL
4	Mr. Sandip Sarkar@	Non-Executive, Independent	NA	NA	NA

** Mr. Anil Kumar Agarwal passed away and ceased to be an Independent Director of the Company w.e.f. April 22, 2019.

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

Remuneration/Sitting Fees paid to Executive Director of the Company during the Financial Year ended March 31, 2019 are detailed as under:

Executive Directors:

Name of Director	Salary & Perquisites (₹)	Commission	Sitting Fees	Total	Period of Contract		Notice Period	No. of Shares held as on 31.03.2019
					From	To		
Mr. Mahesh Mehra	11,40,000/-	--	--	11,40,000/-	04.09.2017	03.09.2022	2 Months	48110

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, 2019, no meeting of Stakeholders' Relationship Committee was held.

Report on Corporate Governance (contd.)

The composition and attendance of the members of the Stakeholders Relationship Committee are as follows:

The Stakeholders Relationship Committee consists of the following Members:

Sl. No.	Name of Directors	Category	No. of Meeting	
			Held	Attended
1.	Mrs. Minoti Nath	Chairman, Non-Executive, Independent	0	0
2.	Mr. Mahesh Mehra	Member, Executive	0	0
3.	Mr. Asoke Das	Member, Non-Executive, Independent	0	0

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

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

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

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

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

The details of the complaints during the year 2018-2019, excluding correspondences which are not in the nature of complaints are given below:

Number of complaints received from the shareholders	9
Number of complaints redressed	9
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 centralized web based complaints redress system. The salient features of this system are centralized database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned Companies and online viewing by investors of actions taken on the complaint and its current status.

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.

Report on Corporate Governance (contd.)

5. PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the evaluation of its own performance and of the Board Committees, viz. Audit Committee, Nomination and Remuneration Committee, and Stakeholders' Relationship Committee as well as evaluation of performance of Directors individually.

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.

6. SEPARATE MEETING OF INDEPENDENT DIRECTORS'

During the year ended 31st March, 2019, the Independent Directors met on 7th March, 2019, inter alia,

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

7. GENERAL BODY MEETING

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

Financial Year	Date	Time	Venue	Special Resolution (s) Passed, if any
2017- 2018	27th September, 2018	10.30 A.M	"Aikatan", EZCC, IA-290, Sector-III, Salt Lake, Kolkata - 700 097	NO
2016-2017	11th September, 2017	11.00A.M	"Aikatan", EZCC, IA-290, Sector-III, Salt Lake, Kolkata - 700 097	NO
2015-2016	22nd September, 2016	11.00 A.M	"Nandita Marriage House", Shankar Abasan, Helabattala, Baguiati, Kolkata- 700 059	YES*

Report on Corporate Governance (contd.)

No special resolution was passed through postal ballot at the last AGM and no special resolution is proposed to be conducted through postal ballot at the forthcoming AGM to be held on 30th September, 2019.

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

- a. Sale of land (Substantially the whole undertaking) pursuant to section 180(1)(a) of the Companies act, 2013.
- b. Disposal of undertaking under section 180(1)(a) of the Companies Act, 2013

Extraordinary General Meeting: During the Financial Year 2018- 19, no Extraordinary General Meeting of the members of the Company was held.

Postal Ballot: During the Financial Year 2018- 19, no matter was transacted by way of Postal Ballot.

8. DISCLOSURES

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

Your Company does not have any related party transactions, which may have potential conflict with the interests of the Company at large. However, disclosure of transactions with related parties is set out in the Notes to Accounts, forming part of the Annual Report. The Company has disclosed the policy on dealing with the related party transactions on its website at 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 IND AS in preparation of its financial statements.
- iii. Your Company has laid down Risk Assessment and Minimization procedures and the same is periodically reviewed by the Board. Further, the Company has adequate internal control systems to identify the risk at appropriate time and to ensure that the executive management controls the risk through properly defined framework.
- iv. The Company has complied with the requirements of regulatory authorities on capital markets and no penalties/ strictures were imposed against it during the last three years.
- v. Your Company has complied with all the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has submitted the quarterly compliance reports to the Stock Exchanges within the prescribed time limit.
- vi. Subsidiary Information

In compliance with Regulation 24 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has a material non-listed Indian subsidiary Company i.e.

Report on Corporate Governance (contd.)

Bengal KDC Housing Development Limited (CIN- U70101WB2006PLC110153) and two Independent Directors of the Company i.e. Mrs. Minoti Nath and Mr. Asoke Das were appointed as Independent Directors in Bengal KDC Housing Development Limited. The Secretarial Audit Report given by Mr. Atul Khater, Company Secretary in Practice for the financial year 2018-19 of Bengal KDC Housing Development Ltd is annexed to the Directors' Report of Bengal KDC Housing Development Ltd. for the said financial year. The Minutes of the proceedings of meetings of the Board of Directors of subsidiary Companies are periodically placed before the Board of Directors of the Company and the attention of the Directors is drawn to significant transactions and arrangements entered into by the subsidiary Companies.

No. of Subsidiary Companies:-

As at March 31, 2019 the Company had following Subsidiaries:

- Bengal KDC Housing Development Limited
- KDC Nirman Limited (Formerly known as Bengal Kaushalya Nirman Ltd)
- Kaushalya Energy Private Limited

Step Down Subsidiary

- Azur Solar KDC Private Limited

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

- vii. The Management Discussion and Analysis Report forms a part of the Annual Report and includes various matters specified under the Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- viii. The CEO/CFO Certificate has been placed before the Board at their meeting held on August 14, 2019 in compliance with SEBI (Listing Obligations and Disclosure Requirements), Regulation, 2015 with the Stock Exchanges duly signed by the Managing Director/CEO and CFO.
- ix. The Statutory Auditor Certificate, with respect to compliance of SEBI (Listing Obligations and Disclosure Requirements), Regulation, 2015 relating to Corporate Governance, has been annexed to the Directors' Report and will be sent to the Stock Exchanges at the time of filing the Company's Annual Report.
- x. The Company has laid down procedures to inform Board Members about the Risk Assessment and minimization procedure, which are periodically reviewed by the Board.

Report on Corporate Governance (contd.)

- xi. Details of Directors seeking Appointment/Re-appointment at the ensuing Annual General Meeting as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to the Notice convening the Annual General Meeting.
- xii. As stipulated by SEBI, a Reconciliation of Share Capital Audit is carried out by an independent Practicing Company Secretary, Mr. Md Shahnawaz (Membership No. 21427, C.P. No. 15076) on quarterly basis to confirm reconciliation of the issued and listed capital, shares held in dematerialized and physical mode and the status of the register of members.
- xiii. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor.

Details relating to fees paid to the Statutory Auditors are given in Notes 29.1 to the Standalone Financial Statements and Notes 33.1 to the Consolidated Financial Statements.
- xiv. A Certificate from a Company Secretary in Practice that none of the directors on the board of the company as on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority.

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

9. CODE OF CONDUCT AND ETHICS AND INSIDER TRADING

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

COMPLIANCE WITH CODE OF BUSINESS CONDUCT AND ETHICS

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

In accordance with Regulation 17(5)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and Senior Management Personnel of the Company have confirmed compliance with the Code of Business Conduct and Ethics for the financial year ended 31st March, 2019.

For **Kaushalya Infrastructure Dev Corp Ltd**

Place: Kolkata
Date: August 14, 2019

Mahesh Mehra
Whole-time Director
DIN-00086683

Report on Corporate Governance (contd.)

10. MEANS OF COMMUNICATION

The Quarterly Un-audited Financial Results and the Annual Audited Financial Results, as taken on record and approved by the Board of Directors of the Company, are published generally in local English and Vernacular newspapers namely the Business Standard and Arthik Lipi. It is also sent immediately to all the Stock Exchanges with which the shares of the Company are listed. These results are also posted on the Company's website i.e. <http://www.kaushalya.net/>.

The Management Discussion and Analysis Report forms part of the Annual Report, which is posted to the shareholders of the Company.

11. GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting

Date and Time: 30th September, 2019 at 10.30 a.m.

Venue: "Aikatan", EZCC, IA-290, Sector-III, Salt Lake, Kolkata-700 097.

Financial Year

The financial year of the Company is from 1st April, 2018 to 31st March, 2019.

Financial year calendar for 2019-20 (Tentative)*

<i>Particulars</i>	<i>Tentative Schedule</i>
Results for the quarter ending 30th June, 2019	Disclosed on August 14, 2019 (Subject to Limited Review)
Results for the quarter ending 30th September, 2019	On or before November 14, 2019 (Subject to Limited Review)
Results for the quarter ending 31st December, 2019	On or before February 14, 2020 (Subject to Limited Review)
Results for the quarter/year ending 31st March, 2020	On or before May 30, 2020 (Audited)

* Tentative and subject to change.

Book Closure Date

24th September, 2019 to 30th September, 2019 (both days inclusive) on account of AGM.

Listing of Equity Shares on Stock Exchanges

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

Listing Fees

Listing fee for the year 2019–20 is payable to the National Stock Exchange of India Ltd. and BSE Ltd. where the Company's equity shares are listed.

Report on Corporate Governance (contd.)

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, Kolkata, West Bengal.

ISIN No. for the Company

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

Stock Code

NSE **KAUSHALYA**

BSE **532925**

Market price data

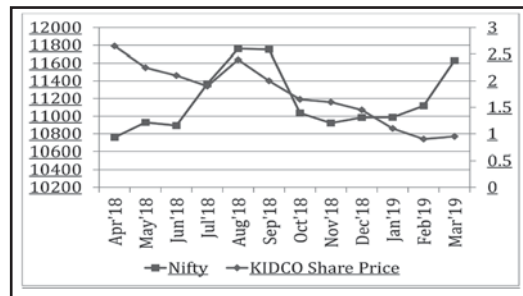
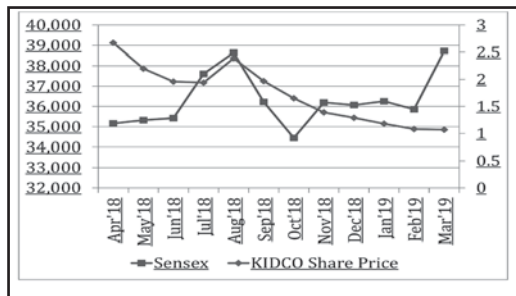
Monthly high, low quotations and trading volumes of the Company's equity shares (Face Value of Rs 10/- each) during the financial year 2018-19 at BSE and NSE are noted below:

Months	Bombay Stock Exchange Ltd			National Stock Exchange of India Ltd.		
	High	Low	Volume	High	Low	Volume
April, 2018	2.67	2.12	83,330	2.65	2.1	5,09,237
May, 2018	2.2	1.72	1,15,236	2.25	1.8	4,27,205
June, 2018	1.96	1.53	48,413	2.1	1.4	3,32,252
July, 2018	1.94	1.26	1,30,960	1.9	1.3	3,14,314
August, 2018	2.39	1.46	1,81,818	2.4	1.45	4,17,614
September, 2018	1.97	1.53	72,131	2	1.6	98,745
October, 2018	1.65	1.1	53,472	1.65	1.25	60,906
November, 2018	1.39	1.1	68,714	1.6	1.2	95,538
December, 2018	1.29	1.06	65,578	1.45	1.05	89,454
January, 2019	1.18	0.96	40,567	1.1	0.9	95,697
February, 2019	1.08	0.82	86,320	0.9	0.75	26,770
March, 2019	1.07	0.69	35,497	0.95	0.65	1,18,350

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

Report on Corporate Governance (contd.)

Performance of the Company in comparison with broad based indices



Registrar and Share Transfer Agent

M/s CB Management Services (P)Limited

P-22, Bondel Road, Kolkata-700019

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

Email: rta@cbmsl.com

Website: www.cbmsl.com

Share Transfer System

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

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

Shareholding pattern as on March 31, 2019

Category	No. of Shares held	% of shareholding
Promoters & Promoter Group	17806474	51.42
Institutional Investors	NIL	0
Body Corporates	2776222	8.02
Indian Public	13747998	39.70
NRIs/OCB/Others	271296	0.78
Clearing Members	28640	0.08
Total	34630630	100.00

Report on Corporate Governance (contd.)

Distribution of Shareholding

The distribution of shareholding of the Company as on March 31, 2019 is noted below:

Range of Holding	No. of Shareholders	% on total no. of Shareholders	No. of Shares	% on issued shares
Upto - 500	15453	79.44	2449950	7.08
501 - 1000	1761	9.05	1506759	4.35
1001 - 2000	1012	5.20	1605546	4.64
2001 - 3000	333	1.71	858649	2.48
3001 - 4000	194	1.00	704148	2.03
4001 - 5000	216	1.11	1031775	2.98
5001 - 10000	286	1.47	2148929	6.21
10001- 50000	166	0.86	3090278	8.92
50001 - 100000	15	0.08	1085559	3.13
100001 and above	16	0.08	20149037	58.18
Total	19452	100.00	34630630	100.00

Dematerialization of shares and liquidity as on March 31, 2019

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

3,46,30,070 Equity Shares of the Company representing 99.99% of the Company's Equity Share Capital are dematerialized as on March 31, 2019.

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 de-mat account and any other query relating to the shares of the Company and Annual Report, the shareholders may write to the following:

Report on Corporate Governance (*contd.*)

Company Secretary

Mr. Sanjay Lal Gupta

M/s Kaushalya Infrastructure Development Corporation Ltd.

CIN-L51216WB1992PLC055629

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

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

E –mail: info@kaushalya.net

Website: www.kaushalya.net

Registrar and Share Transfer Agent

M/s CB Management Services Private Limited

P-22, Bondel Road, Kolkata-700019

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

Email: rta@cbmsl.com

Website: www.cbmsl.com

For and on behalf of the Board

Place: Kolkata

Date: 14th August, 2019

Mahesh Mehra

DIN-00086683

Whole-time Director

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

To

The Members of,

Kaushalya Infrastructure Dev. Corp. Ltd.

CIN: L51216WB1992PLC055629

HB-170, Sector-III, Salt Lake,

Kolkata-700 106

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

A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:

- 1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- 2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.

D. We have indicated to the Auditors and the Audit committee:

- 1) significant changes in internal control over financial reporting during the year;
- 2) significant changes in accounting policies during the year; and
- 3) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Kolkata

Dated: August 14, 2019

Mahesh Mehra

Executive Director &
Whole-time Director

Tarak Nath Mishra

Chief Financial Officer

Report on Corporate Governance (contd.)

Auditors' Certificate on Corporate Governance

To
The members of
Kaushalya Infrastructure Development Corporation Limited

1. This certificate is issued in accordance with the terms of our engagement letter.
2. We have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March, 2019, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

Management's Responsibility

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

Auditor's Responsibility

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

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the Listing Regulations during the year ended 31st March, 2019.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Monu Jain & Company
Chartered Accountants
Firm Registration No. 327900E

Monu Jain
Partner

Place: Kolkata
Date: 14th August, 2019

Membership No. 302721

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

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

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

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Kaushalya Infrastructure Development Corporation Limited having Corporate Identity Number: L51216WB1992PLC055629 and having registered office at HB-170, Sector-III, Salt Lake, Kolkata- 700 106. (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2018, as amended.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company for the financial year ending on March 31, 2019, have been debarred or disqualified from being appointed or continuing as Directors of Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority. Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my test check basis verification.

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

For and on behalf of the Board

Atul Khater
Practicing Company Secretary
Proprietor
ACS No. : A48472
C.P. No. : 19148

Place: Kolkata
Date: 30th May, 2019

Standalone Financials

Independent Auditors' Report

To the Members of

KAUSHALYA INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED

Report on the Standalone Ind AS Financial Statements

OPINION

We have audited the accompanying Standalone Financial Statements of KAUSHALYA INFRASTRUCTURE DEVELOPMENT CORPORATION LTD. ("the Company"), which comprise the Balance sheet as at March 31, 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013, as amended ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial

statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

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

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

Independent Auditors' Report (*contd.*)

included in the Annual report, but does not include the Standalone Financial Statements and our auditors' report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial

controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial

Independent Auditors' Report (contd.)

Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related Disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial

Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order;
2. As required by Section 143(3) of the Act, we report that:
 - A) We have sought and obtained all the information and explanations which to

Independent Auditors' Report (*contd.*)

the best of our knowledge and belief were necessary for the purposes of our audit;

- B) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- C) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- D) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- E) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
- F) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Standalone Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- G) In our opinion, the managerial

remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

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

- The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 32 to the Standalone Financial Statements;
- The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
- There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For MONU JAIN & COMPANY

Firm Regn. No: 327900E

Chartered Accountants

Monu Jain

Partner

Place: Kolkata

Date: 30th May, 2019

Membership No: 302721

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

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

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme for physical verification in a phased periodic manner, which, in our opinion, is reasonable having regards to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to information and explanations given by the management, the title deeds/ lease deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, LLP or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clauses 3(iii) (a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) According to the information and explanations given to us, in our opinion, in respect of loans, investment, guarantees and security, provisions of section 185 and 186 of the Act have been complied with by the company.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company.
- (vi) In our opinion and according to the information and explanation given to us, in respect of goods produced by the company, maintenance of cost records has not been specified by the Central Government under section 148(1) of the Act.
- (vii)(a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident fund, Employees’ State Insurance, Income-tax, Sales-tax, Goods and Services tax, Service tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and Other Statutory Dues applicable to it except Income-tax for the assessment years 2009-10 to 2011-12 amounting Rs.59.70 lakhs.
- (b) According to the information and explanations provided to us, no undisputed amounts payable in respect of Provident fund, Employees’ State Insurance, Income-tax, Sales Tax, Goods and Service tax, Service tax, Duty of custom, Duty of excise, Value added tax, Cess and Other Statutory Dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues of Income-tax, Sales-tax, Service tax, Duty of Custom, Duty of Excise, Value added tax and Cess which have not been deposited on March 31, 2019 on account of any dispute, are as follows:

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

Name of the Statute	Nature of Dues	Amount (in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	20.63	Assessment Year 2007-08	I.T. Appellate Tribunal
Income Tax Act, 1961	Income Tax	59.26	Assessment Year 2012-13	I.T. Appellate Tribunal
Income Tax Act, 1961	Income Tax	332.74	Assessment Year 2013-14	I.T. Appellate Tribunal
Income Tax Act, 1961	Income Tax	513.89	Assessment Year 2014-15	Commissioner of Income Tax (Appeals)
Central Excise Act, 1944	Service Tax	896.85	April’ 10 to Dec.’ 12 VCES	CESTAT, Kolkata
WBVAT Act, 2003	VAT	69.48	Financial Year 2007-08	W.B. Taxation Tribunal

- (viii) In our opinion and according to the information and explanations provided by the management, the company’s loan from SBI and IOB were taken over by the Alchemist Asset Reconstruction Company in the year 2016-17. Bank loan from SBI has been fully settled with Alchemist Asset Reconstruction Company in the current year and it has not defaulted in repayment of loans to Alchemist Asset Reconstruction Company in relation to IOB.
- (ix) The Company did not raise any money by way of initial public offer (including debt instrument) during the year.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Financial Statements and according to the information and explanations provided by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations provided by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations provided by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations provided to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or

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

- fully or partly convertible debentures.
- (xv) During the year under review and hence, reporting requirements under clause 3(xiv) of the Order are not applicable to the Company and, not commented upon.
- (xvi) According to the information and explanations provided by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvii) According to the information and explanations provided to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For MONU JAIN & COMPANY
Firm Regn. No: 327900E
Chartered Accountants

Monu Jain
Partner

Place: Kolkata
Date: 30th May, 2019

Membership No: 302721

Annexure “2” to Independent Auditors’ Report

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

We have audited the internal financial controls over financial reporting of KAUSHALYA INFRASTRUCTURE DEVELOPMENT CORPORATION LTD. (“the Company”) as of March 31, 2019 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards

on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to these standalone financial statements.

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

A company’s internal financial control over financial reporting with reference to these standalone

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

financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting with reference to these standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE STANDALONE FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone financial statements, including the possibility of collusion or improper management override of controls,

material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls system over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For MONU JAIN & COMPANY

Firm Regn. No: 327900E
Chartered Accountants

Monu Jain

Partner

Place: Kolkata

Date: 30th May, 2019

Membership No: 302721

Balance Sheet as at 31st March, 2019

(` in lakhs)

Particulars	Notes	As at 31.03.2019	As at 31.03.2018	As at 1.04.2017
(I) ASSETS				
(1) Non-current assets				
a) Property, plant and equipment	4	224.13	267.73	310.56
b) Investment property	5	266.07	266.07	266.07
		490.20	533.80	576.63
c) Investments in subsidiaries and associates	6	4,909.41	4,909.41	4,909.41
d) Financial assets				
i) Investments in equity instruments	6	1,234.36	1,234.36	1,234.36
ii) Loans and Advances	7	0.94	1,645.16	1,633.95
e) Deferred tax asset (net)		567.51	-	-
f) Income tax assets (net)	8	608.31	576.11	605.51
		7,810.73	8,898.84	8,959.86
(2) Current Assets				
a) Inventories	9	46.88	48.34	48.54
b) Financial assets				
i) Trade receivables	10	1,378.51	1,601.58	2,268.74
ii) Cash and cash equivalents	11	14.51	14.16	5.76
iii) Other balances with Bank	11	37.95	26.46	24.88
iv) Loans and advances	12	985.63	12.10	16.08
v) Other financial assets	13	3.26	2.72	2.17
		2,466.74	1,705.36	2,366.17
TOTAL ASSETS		10,277.47	10,604.20	11,326.03
(II) EQUITY AND LIABILITIES				
1) Equity				
a) Equity share capital	14	3,463.06	3,463.06	3,463.06
b) Other equity	15	1,322.23	(930.41)	(831.86)
		4,785.29	2,532.65	2,631.20
2) Non-current liabilities				
a) Provisions	16	8.46	8.46	8.46
c) Deferred tax liabilities (Net)	17	-	33.17	46.55
		8.46	41.63	55.01
3) Current liabilities				
a) Financial liabilities				
i) Borrowings	18	3,884.52	6,345.05	6,250.07
ii) Trade payables	19			
a) Total outstanding dues to Micro, Small and Medium Enterprise		-	-	-
b) Total outstanding dues to creditors other than Micro, Small and Medium Enterprise		1,120.45	1,237.63	1,208.78
iii) Other financial liabilities	20	77.44	77.44	77.44
b) Other current liabilities	21	401.31	369.79	1,103.53
		5,483.72	8,029.91	8,639.82
TOTAL EQUITY AND LIABILITIES		10,277.47	10,604.20	11,326.03

See accompanying notes forming part of the financial statements

As per terms of our report attached.

For and on behalf of the Board of Directors

For Monu Jain & Company

Firm Regn. No. 327900E

Chartered Accountants

Mahesh Mehra
 Whole-time Director

Tarak Nath Mishra
 CFO

Sanjay Lal Gupta
 Company Secretary

Monu Jain

Partner

Membership No. 302721

Place : Kolkata

Date : 30th May, 2019

Statement of Profit and Loss for the year ended 31st March, 2019

(₹ in lakhs)

Particulars	Notes	For the year ended 31.03.2019	For the year ended 31.03.2018
1) Revenue from operations	22	22.47	31.38
2) Other income	23	2,602.81	4.24
3) Total Revenue (1) + (2)		2,625.28	35.62
4) EXPENSES			
a) Cost of materials consumed	24	4.99	7.68
b) Recoveries from unrecoverable work contracts		-	(34.83)
c) Changes in inventories of work in progress	25	-	-
d) Employee benefits expense	26	26.43	32.24
e) Finance costs	27	57.94	15.54
g) Depreciation expense	28	43.59	42.83
h) Other expenses	29	840.37	84.10
Total Expenses (4)		973.32	147.56
5) Profit before tax (3) - (4)		1,651.96	(111.94)
6) Tax Expense	30		
a) Current tax		-	-
b) Deferred tax			
i) Deferred tax for current year		(600.68)	(13.38)
Total tax expense (6)		(600.68)	(13.38)
7) Profit for the year (5) - (6)		2,252.64	(98.56)
8) Other comprehensive income			
a) Items that will be reclassified to statement of profit and loss		-	-
b) Items that will not be reclassified to statement of profit and loss		-	-
Total other comprehensive income (8)		-	-
9) Total comprehensive income for the period (7) + (8)		2,252.64	(98.56)
10) Earnings per equity share: (Face value of share of Rs 10 each)	31		
a) Basic		6.50	(0.28)
b) Diluted		6.50	(0.28)

See accompanying notes forming part of the financial statements

As per terms of our report attached.

For and on behalf of the Board of Directors

For Monu Jain & CompanyFirm Regn. No. 327900E
Chartered Accountants**Mahesh Mehra**
Whole-time Director**Tarak Nath Mishra**
CFO**Sanjay Lal Gupta**
Company Secretary**Monu Jain**

Partner

Membership No. 302721

Place : Kolkata

Date : 30th May, 2019

Cash Flow Statement for the year ended 31st March, 2019

Particulars	(₹ in lakhs)	
	For the year ended 31.03.2019	For the year ended 31.03.2018
A. Cash Flow from Operating activities:		
Profit before tax	1,651.96	(111.94)
<i>Adjustments for:</i>		
Depreciation expense	43.59	42.83
Interest income	(2.20)	(2.39)
Interest expenses	57.94	15.54
Operating profit before working capital changes	1,751.29	(55.96)
<i>Adjustments for (increase)/decrease in operating assets</i>		
Inventories	1.46	0.20
Trade receivables	223.07	667.16
<i>Adjustments for increase/(decrease) in operating liabilities</i>		
Trade Payables	(117.18)	28.86
Other current liabilities	31.52	(733.74)
Cash generated from operations	1,890.16	(93.48)
Direct taxes refunded/ (paid)	(32.20)	29.40
Net cash generated from operating activities	1,857.96	(64.08)
B. Cash Flow from Investing activities:		
Movement in loans and advances	(973.53)	3.98
Non-current financial Assets-Loans and Advances	1,644.22	(11.21)
Movement in fixed deposit held as margin	(11.49)	(1.58)
Interest received	1.66	1.85
Net cash (used in) investing activities	660.86	(6.96)

Cash Flow Statement for the year ended 31st March, 2019 (contd.)

Particulars	(` in lakhs)	
	For the year ended 31.03.2019	For the year ended 31.03.2018
C. Cash Flow from Financing activities:		
Proceeds from /(Repayment against) working capital borrowings (net)	-	(3,900.23)
Current borrowings	(2,460.53)	3,995.21
Interest paid	(57.94)	(15.54)
Net cash (used in) financing activities	(2,518.47)	79.44
Net increase/(decrease) in cash and cash equivalents	0.35	8.40
Cash and cash equivalents as at 1 April ¹	14.16	5.76
Cash and cash equivalents as at 31 March ¹	14.51	14.16

See accompanying notes forming part of the financial statements

1. Cash and cash equivalents represents cash, cheques on hand and balances with banks. (Refer Note. 11).
2. Figures in brackets represent outflows.

As per terms of our report attached.

For and on behalf of the Board of Directors

For Monu Jain & Company

Firm Regn. No. 327900E

Chartered Accountants

Mahesh Mehra
Whole-time Director

Tarak Nath Mishra
CFO

Sanjay Lal Gupta
Company Secretary

Monu Jain

Partner

Membership No. 302721

Place : Kolkata

Date : 30th May, 2019

Statement of Changes in Equity for the year ended 31st March, 2019

A. Equity Share Capital

Particulars	Amount in lakhs
Balance as at April 1, 2017	3,463.06
Changes in equity share capital during the year ended March 31, 2017	-
Balance as at March 31, 2018	3,463.06
Changes in equity share capital during the year ended March, 2018	-
Balance as at March 31, 2019	3,463.06

B. Other Equity

in lakhs

Statement of changes in Equity	Reserves and surplus		Retained earnings		Total Equity
	Securities Premium Reserve	General Reserve	Investment Revaluation Reserve	Retained Earnings	
Balance at April 1, 2017	4,793.85	484.87	-	(6,110.56)	(831.86)
Profit for the year	-	-	-	(98.56)	(98.56)
Other Comprehensive Income	-	-	-	-	-
Balance at March 31, 2018	4,793.85	484.87	-	(6,209.14)	(930.42)
Profit for the year	-	-	-	2,252.64	2,252.64
Other Comprehensive Income	-	-	-	-	-
Balance at March 31, 2019	4,793.85	484.87	-	(3,956.50)	1,322.22

See accompanying notes forming part of the financial statements

As per terms of our report attached.

For and on behalf of the Board of Directors

For Monu Jain & Company

Firm Regn. No. 327900E

Chartered Accountants

Mahesh Mehra
Whole-time Director

Tarak Nath Mishra
CFO

Sanjay Lal Gupta
Company Secretary

Monu Jain

Partner

Membership No. 302721

Place : Kolkata

Date : 30th May, 2019

Notes forming part of the Financial Statements

1. General corporate information

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

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

2. Application of new and revised Ind As

New Ind AS that has been issued but is not effective as of the closing day of the reporting period: **Ind AS 116 "Leases"**.

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

This will have no impact on the company as the company does not have any leased asset."

3. Summary of significant accounting policies

3.01 Statement of compliance

The financial statements have been prepared

in accordance with Ind ASs notified under the Companies (Indian Accounting Standard) Rules, 2015. Upto the financial year ended March 31, 2017, the Company prepared its financial statements in accordance with the requirements of previous GAAP which included Standards notified under the Section 133 of the Companies Act, 2013.

3.02 Basis of preparation and presentation

This is a separate financial statement presented as per requirement of Ind AS-27 those presented by a parent, an investor in an associate or a venturer in a jointly controlled entity, in which the investments are accounted for on the basis of direct equity interest rather than on the basis of the reported results and net assets of the investees.

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

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

Notes forming part of the Financial Statements (contd.)

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

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

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

3.03 Use of Estimates

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

periods presented.

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

3.04 Revenue recognition

i) 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 contracts, are recognized over the life of the contract using the Percentage of 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 when services are performed.

ii) Contract Income

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

iii) Income from Hotel

Income from hotel is recognized on accrual basis. Revenue and expenses have been shown on a gross basis against each P&L line items instead of the earlier method of reflecting the same after netting off revenue and expenses before depreciation in the Revenue from Operations line as per the policy adopted at the time of finalisation of audited results as on 31st March, 2019.

iv) Other Income

Interest: Interest income is generally recognized

Notes forming part of the Financial Statements (contd.)

on time proportion basis taking into account the amount outstanding and the rate applicable.

Hire Charges: Income from hire charge is recognised on accrual basis.

Others: Income from agricultural activities, consultancy etc. is recognized on accrual basis.

3.05 Employee Benefits

i) Short-term benefits

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

iii) Defined retirement benefits

The cost of providing defined benefit retirement benefits are determined using the projected unit credit method. The company provides gratuity to its employees. Gratuity liabilities are not funded.

Remeasurements, comprising actuarial gains and losses, return on plan assets excluding amounts included in net interest on the net benefit liability (asset) and any change in the effect of the asset ceiling (if applicable) are recognised in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in the comprehensive income are not reclassified to profit and loss but recognised directly in the retained earnings. Past service costs are recognised in profit and loss in the period in which the amendment to plan occurs. Net interest is calculated by applying the discount rate to the net defined liability or asset at the beginning of the period, taking into account of any changes in the net defined benefit liability(asset) during the period as a result of contribution and benefit payments.

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

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

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

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

3.06 Taxation

i) Current tax

Current tax is the amount of tax payable on the taxable profit for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Taxable profit differs from 'Profit Before Tax' as reported in the separate statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Standalone financial statements and the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all

Notes forming part of the Financial Statements (contd.)

deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, joint ventures and associates, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from the deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which the benefits of the temporary difference can be utilised and they are expected to reverse in the foreseeable future.

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

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

iii) Minimum alternate tax

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives

future economic benefits in the form of adjustment to future income tax liability, is recognised as an asset in the balance sheet when there is convincing evidence that the Company will pay normal income tax during the specified period and it is probable that future economic benefit associated with it will flow to the Company.

iv) Current tax and deferred tax

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

3.07 Property, Plant and equipment

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

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

An item of property, plant and equipment is

Notes forming part of the Financial Statements (contd.)

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

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

Estimated useful lives of the assets are as follows:

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

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

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

3.08 Borrowing Costs

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

3.09 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible

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

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

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

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

3.10 Inventories

Raw materials, stores and spares, finished goods, other construction materials and fuel are valued at lower of cost and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes purchase price, non refundable taxes and duties and other directly

Notes forming part of the Financial Statements (contd.)

attributable costs incurred in bringing the goods/ services to the point of sale. Work-in-progress is valued at cost.

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

3.11 Provisions, Contingent liabilities and Contingent assets

03.11.01 Provisions

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

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

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

03.11.02 Onerous contracts

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

03.11.03 Contingent liabilities and assets

Contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events

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

3.12 Financial instruments

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

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

3.13 Financial assets

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

3.13.01 Classification of financial assets

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

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

Notes forming part of the Financial Statements (contd.)

solely payments of principal and interest on the principal outstanding.

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

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

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

All other financial assets are subsequently measured at fair value.

3.13.02 Effective interest method

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

Income is recognised on an effective interest basis

for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit and loss and is included in the "Other income" line item.

3.13.03 Investments in equity instruments at FVTOCI

On initial recognition, the Company make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in the fair value of investments in equity instruments (other than investments held for trading) in other comprehensive income. These instruments are initially measured at fair value plus transaction costs. Subsequently they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for Equity through other comprehensive income'. On disposal of these investments the cumulative gain or loss is not reclassified to profit and loss.

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

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

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

3.13.05 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on trade receivables, other contractual rights to receive

Notes forming part of the Financial Statements (contd.)

cash or other financial instruments. Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate. The Company estimates cash flows by considering all contractual terms of the financial instrument.

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

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

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

3.13.06 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flow from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and

rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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

3.14 Financial liabilities and equity instruments

3.14.01 Classification as debt or equity

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

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

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

3.14.02 Financial liabilities

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

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

Financial liabilities at FVTPL are stated at

Notes forming part of the Financial Statements (contd.)

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

3.14.03 Financial liabilities subsequently measured at amortised cost

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

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

3.14.04 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted

for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3.15 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.

3.16 Operating Cycle

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

3.17 Rounding Off

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

4. Property, plant and equipment

Carrying amount of:

	As at 31.03.2019 ` in Lakhs	As at 31.03.2018 ` in Lakhs	As at 01.04.2017 ` in Lakhs
a) Freehold land	-	-	-
b) Buildings	73.88	75.42	76.96
c) Plant and Machinery	150.04	191.93	232.31
d) Furniture and Fixtures	0.11	0.23	0.94
e) Motor Vehicles	0.10	0.12	0.21
f) Office Equipments	-	0.03	0.14
	224.13	267.73	310.56

Notes forming part of the Financial Statements (contd.)

₹ in lakhs

4.1. Property, plant and equipment

	Freehold Land	Freehold Building	Plant and Machinery	Furniture and fixtures	Motor Vehicles	Office equipments	Total
Cost or deemed cost							
Balance at April 1, 2017	-	78.50	272.69	1.75	0.67	0.26	353.87
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Balance at March 31, 2018	-	78.50	272.69	1.75	0.67	0.26	353.87
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Balance at March 31, 2019	-	78.50	272.69	1.75	0.67	0.26	353.87
Accumulated depreciation							
Balance at April 1, 2017	-	1.54	40.38	0.81	0.46	0.12	43.31
Depreciation expense	-	1.54	40.38	0.71	0.09	0.11	42.83
Disposals	-	-	-	-	-	-	-
Balance at March 31, 2018	-	3.08	80.76	1.52	0.55	0.23	86.14
Depreciation expense	-	1.54	41.89	0.12	0.02	0.03	43.60
Disposals	-	-	-	-	-	-	-
Balance at March 31, 2019	-	4.62	122.65	1.64	0.57	0.26	129.74
Carrying amount							
Balance at April 1, 2017	-	76.96	232.31	0.94	0.21	0.14	310.56
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Depreciation expense	-	(1.54)	(40.38)	(0.71)	(0.09)	(0.11)	(42.83)
Balance at March 31, 2018	-	75.42	191.93	0.23	0.12	0.03	267.73
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Depreciation expense	-	(1.54)	(41.89)	(0.12)	(0.02)	(0.03)	(43.60)
Balance at March 31, 2019	-	73.88	150.04	0.11	0.10	-	224.13

Note:

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

Notes forming part of the Financial Statements (contd.)

	As at 31.03.2019 Rs in lakhs	As at 31.03.2018 Rs in lakhs	As at 01.04.2017 Rs in lakhs
5 Investment property			
Investment in land			
Opening balance	266.07	266.07	266.07
Additions	-	-	-
Closing balance	<u>266.07</u>	<u>266.07</u>	<u>266.07</u>

Note:- Investment in land has been reclassified under “Investment Property”. It was earlier classified as “Non Current Investment” under Financial Asset. The effect of the same has been taken retrospectively.

To present this change, additional balance sheet has been presented for the first day of comparative period (i.e. for 1.4.2017) in line with the requirements of Ind AS 8: Accounting Policies, Changes in Accounting Estimates, and Errors.

Due to such rectification, Investment Property has increased by Rs. 266.07 (Lakhs) and “Investment in non-current asset” has decreased by ` 266.07 (Lakhs).

	As at 31.03.2019		As at 31.03.2018		As at 01.04.2017	
	Qty Nos.	Amount ` in lakhs	Qty Nos.	Amount ` in lakhs	Qty Nos.	Amount ` in lakhs
6 Non-current investments						
I. Financial Assets						
A) Investments in subsidiaries (carried at cost)						
Unquoted Investments (all fully paid)						
Investments in Equity Instruments of						
KDC Nirman Ltd.	1,02,000	10.20	1,02,000	10.20	1,02,000	10.20
Bengal KDC Housing Development Ltd.	1,02,000	10.20	1,02,000	10.20	1,02,000	10.20
Kaushalya Energy Pvt. Ltd.	95,500	9.55	95,500	9.55	95,500	9.55
	<u>2,99,500</u>	<u>29.95</u>	<u>2,99,500</u>	<u>29.95</u>	<u>2,99,500</u>	<u>29.95</u>
Investments in 10% Redeemable Non-Cumulative Preference Shares of Rs.10/- each of:						
Bengal KDC Housing Development Ltd.	1,09,73,283	1,097.33	1,09,73,283	1,097.33	1,09,73,283	1,097.33
	<u>1,09,73,283</u>	<u>1,097.33</u>	<u>1,09,73,283</u>	<u>1,097.33</u>	<u>1,09,73,283</u>	<u>1,097.33</u>
	<u>1,12,72,783</u>	<u>1,127.28</u>	<u>1,12,72,783</u>	<u>1,127.28</u>	<u>1,12,72,783</u>	<u>1,127.28</u>
B) Investments in associates (carried at cost)						
Unquoted Investments (all fully paid)						
Investments in Equity Instruments of						
Kaushalya Township Pvt. Ltd.	3,17,357	155.08	3,17,357	155.08	3,17,357	155.08
Kaushalya Nirman Pvt. Ltd.	46,000	19.40	46,000	19.40	46,000	19.40
Orion Abasaan Pvt. Ltd.	29,000	10.90	29,000	10.90	29,000	10.90
	<u>3,92,357</u>	<u>185.38</u>	<u>3,92,357</u>	<u>185.38</u>	<u>3,92,357</u>	<u>185.38</u>
Investments in 10% Redeemable Non-Cumulative Preference Shares of F. V. ` 10/- each of subsidiary:						
Kaushalya Township Pvt. Ltd.	34,98,630	1,994.22	34,98,630	1,994.22	34,98,630	1,994.22
Kaushalya Nirman Pvt. Ltd.	8,79,968	510.38	8,79,968	510.38	8,79,968	510.38
Orion Abasaan Pvt. Ltd.	19,85,740	1,092.16	19,85,740	1,092.16	19,85,740	1,092.16
	<u>63,64,338</u>	<u>3,596.76</u>	<u>63,64,338</u>	<u>3,596.76</u>	<u>63,64,338</u>	<u>3,596.76</u>
	<u>67,56,695</u>	<u>3,782.14</u>	<u>67,56,695</u>	<u>3,782.14</u>	<u>67,56,695</u>	<u>3,782.14</u>

Note:- Investment in Subsidiaries and Associates was earlier shown under Non-Current Investments. This has been regrouped retrospectively to conform with the requirements of Schedule III Division II.

C) Investments in equity instruments (carried at fair value through Other Comprehensive Income)

Total Investments carrying value

Unquoted Investments (all fully paid)

Investments in Equity Instruments of:

Balaji Turnkey Projects Solution (P) Ltd.#	2,28,600	514.35	2,28,600	514.35	2,28,600	514.35
Enlightened Projects Ltd. #	1,95,500	293.25	1,95,500	293.25	1,95,500	293.25
Orkay Engineering Ltd. #	8,53,000	426.50	8,53,000	426.50	8,53,000	426.50
Flare Realty Engineering (P) Ltd.	2,600	0.26	2,600	0.26	2,600	0.26
	<u>12,79,700</u>	<u>1,234.36</u>	<u>12,79,700</u>	<u>1,234.36</u>	<u>12,79,700</u>	<u>1,234.36</u>

Notes forming part of the Financial Statements (contd.)

Note:- Investment in Equity Instrument was earlier shown under Non Current Investment. This has been regrouped retrospectively to confirm with the requirements of Schedule III Division II.

Although, the Company holds more than 20% of the shareholding of the above mentioned companies but does not have significant influence over the same. Hence, the Company has not applied Ind AS 28: Investment in Associates and Joint Ventures while preparing the separate financial statements. Rather, the company has applied Ind AS 109: Financial Instruments for recognition and measurement of investments in the above mentioned companies.

Aggregate book value of quoted investments		-	-	-
Aggregate book value of unquoted investments		6,143.77	6,143.77	6,143.77
Aggregate market value of quoted investments		-	-	-
	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017	
	` in lakhs	` in lakhs	` in lakhs	
7 Loans & Advances (Non Current)				
(Unsecured, considered good)				
Telephone Deposit	0.14	0.14	0.14	
Security deposits (Carried at amortised cost)	245.40	1,573.26	1,560.55	
Less: Loss Allowance	(245.40)	-	-	
Advance to related party	-	13.26	14.76	
Other advances	-	57.45	57.45	
Deposits with govt Authorities	0.80	1.05	1.05	
	0.94	1,645.16	1,633.95	
8 Income tax assets (net of provision)				
At beginning of year	576.11	605.51	605.51	
Changes for the year	32.20	(29.40)	-	
At end of year- Advance tax/ (Provision for Tax)	608.31	576.11	605.51	
Note:- Income tax asset was earlier shown on gross basis under Other non-current asset. This has been regrouped and presented as net of provision, retrospectively so as to confirm with the requirements of Schedule III Division II of Companies Act, 2013 and Ind AS 12: Income Taxes.				
9 Inventories (At lower of cost and net realisable value)				
a) Work in progress (At lower of cost and net realisable value)	41.04	41.04	41.04	
b) Finished products (At lower of cost and net realisable value)	5.84	7.30	7.50	
	46.88	48.34	48.54	
10 Trade receivables (Current)				
a) Unsecured, considered good	2.81	1,601.58	2,268.74	
b) Unsecured, considered doubtful	2,575.70	4,000.00	4,000.00	
Less: Allowance for Expected credit losses	(1,200.00)	(4,000.00)	(4,000.00)	
	1,378.51	1,601.58	2,268.74	
Movement in the expected credit loss allowance				
Balance at beginning of the year	(4,000.00)	(4,000.00)	-	
Expected credit loss allowance created on trade receivables (Net), calculated at lifetime expected credit losses.	2,800.00	-	(4,000.00)	
Balance at end of the year	(1,200.00)	(4,000.00)	(4,000.00)	
Note:- There are certain contracts against which litigations are pending with various forums for dispute resolution. While creating provision for expected credit loss, the same has been considered.				
11 Cash and bank balances				
a) Cash and cash equivalents				
i) Cash in hand	6.88	2.16	5.33	
ii) Balances with banks				
In current accounts	7.63	12.00	0.43	
Total cash and cash equivalents	14.51	14.16	5.76	

Notes forming part of the Financial Statements (contd.)

	As at 31.03.2019 in lakhs	As at 31.03.2018 in lakhs	As at 01.04.2017 in lakhs
b) Other bank balances			
i) In deposit account (Unencumbered)	10.04	-	-
ii) In deposit account (held as Margin/against Earnest Money Deposit/Performance Security/Others)	27.91	26.46	24.88
Total other balances with bank	37.95	26.46	24.88
Total cash and bank balances	52.46	40.62	30.64

Note:- Fixed Deposit held with bank was incorrectly classified under Cash and Cash Equivalent. This has now been regrouped under Other Bank Balances with retrospective effect.

Included above

i) Earmarked balance held as Margin/ against Earnest Money Deposit/Performance Security/Others	27.91	26.46	24.88
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* The bank has invoked the margin money and forfeited the amount.

12 Loans and advances (Current)			
a) Security Deposits	1,273.00	-	-
Less: Loss Allowance	(357.34)	-	-
b) Advance to staff	1.32	0.57	0.77
c) Other Advances	68.65	11.53	15.31
	985.63	12.10	16.08

Note- Advance to suppliers, employees and against expenses has been reclassified under "Loans and advances" retrospectively. This was earlier incorrectly classified under "Other Current Assets".

13 Other current assets (Current)			
a) Interest accrued on financial assets held at amortised cost	3.26	2.72	2.17
	3.26	2.72	2.17

Note-Other Current Financial Assets of ` 3.26 lakhs (Prior year ` 2.72 lakhs) earlier shown under Other Current Assets has now been shown separately

14 Share capital			
Authorised:			
3,50,00,000 Equity Shares of ` 10 each	3,500.00	3,500.00	3,500.00
(as at March 31, 2018 : 3,50,00,000; as at April 1, 2017: 3,50,00,000 Equity Shares of ` 10/- each)	3,500.00	3,500.00	3,500.00
Issued, Subscribed and fully paid up:			
3,46,30,630 Equity Shares of ` 10 each	3,463.06	3,463.06	3,463.06
(as at March 31, 2018 : 3,46,30,630; as at April 1, 2017: 3,46,30,630 Equity Shares of ` 10/- each)	3,463.06	3,463.06	3,463.06

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

	For the year ended 31.03.2019		For the year ended 31.03.2018	
	No. of Shares	Amount in lakhs	No. of Shares	Amount in lakhs
Equity shares				
Issued, subscribed and fully paid up:				
At beginning and end of the year	3,46,30,630	3,463.06	3,46,30,630	3,463.06

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

	As at 31.03.2019		As at 31.03.2018	
	No. of Shares	%	No. of Shares	%
Mahanti Engineers Pvt. Ltd.	50,82,600	14.68%	50,82,600	14.68%
Sunkissed Merchandise Pvt. Ltd.	50,22,900	14.50%	50,22,900	14.50%
Keleenworth Marketing Pvt. Ltd.	43,36,350	12.52%	43,36,350	12.52%

Rights, preferences and restrictions attached to shares

Equity Shares

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

Notes forming part of the Financial Statements (contd.)

	As at 31.03.2019 in lakhs	As at 31.03.2018 in lakhs	As at 01.04.2017 in lakhs
15 Other Equity			
a) Securities premium reserves	4,793.85	4,793.85	4,793.85
b) General reserve	484.87	484.87	484.87
c) Retained Earnings	(3,956.49)	(6,209.13)	(6,110.58)
	1,322.23	(930.41)	(831.86)
Securities premium reserve			
Opening and closing balance	4,793.85	4,793.85	4,793.85
General reserve			
Opening and closing balance	484.87	484.87	484.87
Retained Earnings			
Opening balance	(6,209.13)	(6,110.58)	(6,110.58)
Profit/ (Loss) for the year	2,252.64	(98.56)	-
Closing balance	(3,956.49)	(6,209.13)	(6,110.58)
	1,322.23	(930.41)	(831.86)
16 Provisions			
a) Provision for employee benefits (Gratuity) [Refer Note 33.02]	8.46	8.46	8.46
	8.46	8.46	8.46
17 Deferred tax balances			
Deferred tax assets	596.55	2.18	2.62
Deferred tax liabilities	(29.05)	(35.35)	(49.17)
	567.51	(33.17)	(46.55)
Deferred tax (liabilities)/assets not created in relation to:			
For the year ended 31.03.2019	Opening balance	Recognised in profit and loss	Closing Balance
Property, plant and equipment	(35.35)	(6.31)	(29.05)
Brought forward tax losses	-	(594.35)	594.35
Provision for employee benefits	2.18	(0.02)	2.20
	(33.17)	(600.68)	567.51
Deferred tax (liabilities)/assets not created in relation to:			
For the year ended 31.03.2018	Opening balance	Recognised in profit and loss	Closing Balance
Property, plant and equipment	(49.17)	(13.81)	(35.35)
Provision for employee benefits	2.62	0.44	2.18
	(46.55)	(13.38)	(33.17)
Deferred tax asset has been recognised on brought forward tax losses in the current year. This is on account of the fact that recognition criteria of Deferred tax of has been met in light of the significant developments regarding restructuring of loans in the current year.			
	As at 31.03.2019 in lakhs	As at 31.03.2018 in lakhs	As at 01.04.2017 in lakhs
18 Current Borrowings			
A. Secured - at amortised cost			
a) Repayable on demand			
a) Cash credit	-	-	3,900.23
b) From banks	3,146.61	5,775.05	2,263.32
c) From Body corporate	-	-	60.52
d) From group companies	737.91	570.00	26.00
Total secured borrowings	3,884.52	6,345.05	6,250.07
B. Un Secured - at amortised cost			
a) Unsecured loans from group companies	-	-	-
Total unsecured borrowings	-	-	-
Total borrowings	3,884.52	6,345.05	6,250.07

Notes forming part of the Financial Statements (contd.)

	As at 31.03.2019 ` in lakhs	As at 31.03.2018 ` in lakhs	As at 01.04.2017 ` in lakhs
19 Trade Payables			
a) Total outstanding dues of micro enterprises and small enterprises	-	-	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,120.45	1,237.63	1,208.78
Total trade payables	1,120.45	1,237.63	1,208.78

Note:- The company does not have any outstanding dues to micro, small and medium enterprise for more than 45 days during the period and as on March 31, 2019 since it has not received any declaration/notice/letters from its creditors certifying or indicating them as Micro Small and Medium Enterprises.

20 Other financial liabilities			
Security Deposits	77.44	77.44	77.44
	77.44	77.44	77.44

Note-Security Deposit received amounting to ` 77.44 lakhs from Vendors have been reclassified from Other Current Liabilities and shown under Other Current Financial Liabilities to comply with requirement of Schedule III Division II.

21 Other Current Liabilities			
a) Advance received from customers	230.66	230.66	870.52
b) Advance from Joint Venture	93.39	93.39	93.39
c) Employee recoveries and employer's contributions	0.18	0.19	0.51
d) Statutory dues	77.08	45.55	139.11
Total other liabilities	401.31	369.79	1,103.53

Note- 'Other Long Term Liabilities' relating to Joint Venture Project of Rs. 93.39 lakhs (Prior year Rs. 93.39 lakhs) has now been reclassified under 'Other current Liabilities', retrospectively to comply with the provisions of Schedule III Division II. Due to such reclassification, Other current Liabilities has been increased by 93.39 Lakhs and Other Long Term Liabilities has been reduced by the same amount i.e 93.39 lakhs.

	For the year ended 31.03.2019 ` in lakhs	For the Year ended 31.03.2018 ` in lakhs
22 Revenue from operations		
a) Contracts receipts	-	11.12
b) Receipts from hotel	15.42	15.26
c) Revenue from agricultural business	7.05	5.00
Revenue from Operations	22.47	31.38

Note:- During the previous financial year, the Income from Hotel Business was shown as net of expenses under Revenue from operations in the Statement of Profit and loss.

Income from Hotel business has now been shown on Gross basis. The statement of profit and loss for the FY 2018-19 has been restated to explain the impact of the such reclassification and confirm with the requirements of Ind AS 8: Accounting Policies, Changes in Accounting Estimates and Errors. Also, additional balance sheet for the first day of Comparative period (i.e. for 1.4.2017) has been presented. Due to such restatement, the profit has not changed but the revenue from operations increased by ` 18.42 (Lakhs) and Total expenses increased by ` 18.42 (Lakhs).

23 Other income		
a) Interest income on financial assets carried at amortised cost		
i) From fixed deposits	2.20	2.39
b) Liabilities/provision no longer required written back	6.85	-
c) Hire charges	-	0.90
d) Gain on settlement of loan with SBI	2,556.43	-
e) Miscellaneous income	37.33	0.95
Total other income	2,602.81	4.24

The company had reached a settlement with Alchemist Asset Reconstruction Company Ltd. In respect of loan taken over by them from State bank of India. Subsequently, after full and final payment of the settled amount in this respect, the company has received a "No Dues" from them as it relates to the amount of debt of ` 2,926.43 Lakhs. Subsequently, the company has written back the amount to the tune of ` 2,556.43 Lakhs

Notes forming part of the Financial Statements (contd.)

	For the year ended 31.03.2019 in lakhs	For the Year ended 31.03.2018 in lakhs
24 Cost of materials consumed		
Raw materials consumed		
a) Opening stock of material	7.30	7.50
b) Add: Purchases	3.53	7.48
	10.83	14.98
c) Less: Closing stock of material	5.84	7.30
Total cost of materials consumed	4.99	7.68
Recoveries from unrecoverable work contracts		
a) Recoveries from unrecoverable work contracts	-	34.83
	-	34.83
25 Changes in inventories of work in progress		
Inventories at the beginning of the year		
a) Work-in-progress	41.04	41.04
	41.04	41.04
Inventories at the end of the year		
a) Work-in-progress	41.04	41.04
	41.04	41.04
Net (increase)/decrease in inventories	-	-
26 Employee benefits expense		
a) Salaries and wages, including bonus	14.56	20.41
b) Contribution to provident and other funds	0.20	0.16
c) Workmen and staff welfare expenses	0.27	0.27
d) Director's Remuneration	11.40	11.40
Total employee benefits expense	26.43	32.24
27 Finance costs		
a) Interest expense on borrowings carried at amortised cost	57.94	15.54
Total finance costs	57.94	15.54
28 Depreciation expense		
a) Depreciation on Property, plant and equipment (Refer Note 05)	43.59	42.83
Total depreciation	43.59	42.83
29 Other expenses		
a) Consumption of stores, spare parts and loose tools	0.65	0.92
b) Repairs to buildings	1.81	2.56
c) Repairs to plant and machinery	0.01	-
d) Carriage and freight	-	-
e) Power and fuel	0.37	0.34
f) Rates, taxes and licenses	(10.55)	30.89
g) Electricity expenses	2.84	2.96
h) Insurance charges	0.04	0.14
i) Cultivation expenses	1.25	2.07
j) Selling and distribution expenses	0.92	0.99
k) Legal and professional fee	40.56	19.82
l) Travelling and conveyance expenses	2.75	2.25
m) Telephone expenses	1.57	0.71
n) Directors' sitting fees	1.18	1.36

Notes forming part of the Financial Statements (contd.)

	For the year ended 31.03.2019 ` in lakhs	For the Year ended 31.03.2018 ` in lakhs
o) Printing and stationery	1.97	2.74
p) Audit fees [Note 32.1]	1.18	1.17
q) Allowance for credit loss/provision for advances	-	-
r) Sundry balances written off	13.53	-
s) Loss Allowance on Security Deposits	602.74	-
t) Other general expenses	177.55	15.18
Total other expenses	840.37	84.10
29.1 Audit fee includes payment to statutory auditor towards:		
i) Statutory audit fee	1.18	1.17
30 Income tax recognised in profit and loss		
Current tax		
In respect of the current year	-	-
In respect of prior years	-	-
	<u>-</u>	<u>-</u>
Deferred tax		
In respect of the current year	(600.68)	-
	<u>(600.68)</u>	<u>-</u>
The income tax expense for the year can be reconciled to the accounting profit (loss) as follows:		
Loss before tax for the year	1,651.96	(111.94)
Income tax expense calculated at 26.00% (for the 2017-18: 25.75%) on above	425.38	(34.59)
Effect of carried forward losses setoff	(425.38)	34.59
Tax expense as per Income tax Act, 1961	-	-
	<u>-</u>	<u>-</u>
31 Earnings per share (in Rupees)		
Basic and diluted earnings per share		
The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows:		
Profit for the year	2,252.64	(98.56)
Weighted average number of equity shares for the purpose of basic earnings per share	3,46,30,630	3,46,30,630
Basic and diluted earnings per share	6.50	(0.28)
The Company is not having any potential ordinary shares which are dilutive in nature. Hence diluted earnings per share is not calculated separately.		

Notes forming part of the Financial Statements (contd.)

	As at 31.03.2019 ` in lakhs	As at 31.03.2018 ` in lakhs	As at 01.04.2017 ` in lakhs
32 Additional information to the Financial Statements			
32.01 Contingent Liabilities			
1 a) Performance guarantees issued by the banks to various Government Authorities, for which the company has provided counter guarantee against fixed deposit receipts have been pledged by the company.	NIL	NIL	38.01
b) Performance guarantees issued on behalf of other companies against which fixed deposit receipts have been pledged by the company.	NIL	NIL	NIL
c) Bank Interest Reversed	NIL	NIL	45.87
2 Claims not acknowledged as debts			
Income Tax Demand (Assessment Year 2007-08)	20.63	25.06	28.47
Income Tax Demand (Assessment Year 2009-10)	20.19	20.19	25.19
Income Tax Demand (Assessment Year 2010-11)	37.61	37.61	37.61
Income Tax Demand (Assessment Year 2011-12)	1.91	1.91	1.91
Income Tax Demand (Assessment Year 2012-13)	59.26	59.26	51.43
Income Tax Demand (Assessment Year 2013-14)	332.74	332.74	278.06
Income Tax Demand (Assessment Year 2014-15)	513.89	513.89	475.52
The Central Excise Act, 1944, Service Tax	896.85	896.85	896.85
The WB VAT Act, 2003, VAT	NIL	21.00	21.00
The WB VAT Act, 2003, VAT	NIL	817.10	817.10
The WB VAT Act, 2003, VAT	NIL	6.60	6.60
The WB VAT Act, 2003, VAT	NIL	0.35	0.35
The WB VAT Act, 2003, VAT	69.48	NIL	NIL
	1,952.55	2,732.55	2,640.08

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

	As at 31.03.2019 ` in lakhs	As at 31.03.2018 ` in lakhs	As at 01.04.2017 ` in lakhs
32.02 Capital and other commitments			
a) Capital commitments			
Estimated value of contracts remaining to be executed on capital account	NIL	NIL	NIL
32.03 Contingent assets			
a) Dispute between the Company's client NPCC Ltd. and the principal NTPC Ltd. was settled in the favour of NPCC Ltd. to the tune of ` 8.55 Crores (Contingent Assets ` 5.70 crores) by the Permanent Machinery of Arbitration (P.M.A.) which is in and above of amount receivable from them. The principal, NTPC Ltd. has preferred an appeal before the Secretary P.M.A. which is pending disposal. As per terms of MOU with NPCC Ltd., the claim once received by NPCC Ltd. shall be passed on to the Company after deduction of margins of NPCC Ltd. and tax amounts.			
b). Dispute between the Company and National Highways Authority of India (NHAI) was settled in favour of the Company through arbitration. NHAI had preferred an appeal against the arbitration award in the Hon'ble Calcutta High Court which is pending disposal. An interim amount of ` 0.48 crore was received by the company towards the award as it was not appealed against by NHAI. The remaining award amount of ` 6.00 Crores (Contingent Assets ` 4.98 Crores) plus interest is pending in appeal which is in and above of amount receivable from them. Moreover, NHAI has deposited a substantial amount of the award with the Hon'ble Calcutta High Court and deposited a portion of it in a separate interest bearing deposit.			
32.04 Disclosure on debt restructuring and settlement of loans taken from scheduled commercial banks			
(i) The debts of Indian Overseas Bank (IOB) and State Bank of India (SBI) were taken over by Alchemist Asset Reconstruction Company (Trust VII) (ARC). The company has reached a settlement of its debts with respect to the amount taken over by ARC from SBI and restructuring of the debts with respect to the amount taken over from IOB by the ARC. The settlement amount with			

Notes forming part of the Financial Statements (contd.)

respect to SBI of Rs. 370.00 lakhs has been paid by the company to the ARC and the restructured amount relating to IOB of ` 1,302.50 is to be paid by the company to the ARC in quarterly instalments as per the restructuring schedule till March'24. After that company has to pay NCD of Rs. 10 crores to be issued by ARC.

- (ii) The company has not yet recognised any gain/ notional gain on restructuring/ settlement of loan, pending filling of consent application/ application reflecting restructuring/settlement by Alchemist Asset Reconstruction Company Limited with the Debt Recovery Tribunal in the cases pending thereat. As per restructuring agreement, In case of failure to make payment as per schedule given in Annexure-B or in case of failure to comply with any other terms & conditions specified in Annexure-A, this restructuring shall stand revoked without any notice and any amount paid by you shall be forfeited and adjusted towards total dues.

	For the year ended 31.03.2019 ` in lakhs	For the Year ended 31.03.2018 ` in lakhs
33 Disclosures under Indian Accounting Standards		
33.01 Employee Benefits		
Defined Contribution plans		
The Company has not transferred any amount towards long term defined benefit obligations as the management estimates that provision for retirement benefits is sufficient. Further the company has made contribution to following defined contribution plans:-		
Provident and other funds	-	-
Total	-	-
Defined Benefit Plans		
The Company provided the following employee benefits		
Funded : Provident Fund		
Non Funded: Gratuity		

33.02 Details of the Gratuity Plan are as follows

Description	2018-19 ` in lakhs	2017-18 ` in lakhs
1. Reconciliation of opening and closing balances of obligation		
a. Obligation as at beginning of the year	8.46	8.46
b. Current service cost	-	-
c. Interest cost	-	-
d. Liabilities assumed from associate companies for transferred employees	-	-
e. Actuarial (gain)/loss	-	-
f. Benefits paid	-	-
g. Obligation as at end of the year	8.46	8.46
2. Change in fair value of plan assets		
a. Fair value of plan assets as at beginning of the year	-	-
b. Expected return on plan assets	-	-
c. Assets transferred from associate companies for transferred employees	-	-
d. Actuarial gain/(loss)	-	-
e. Contributions made by the company	-	-
f. Benefits paid	-	-
g. Fair value of plan assets as at end of the year	-	-
3. Reconciliation of fair value of plan assets and obligation		
a. Present value of obligation	8.46	8.46
b. Fair value of plan assets	-	-
c. Amount recognised in the balance sheet Asset/(Liability)	(8.46)	(8.46)
4. Expenses recognised during the year		
a. Current service cost	-	-
b. Interest cost	-	-
c. Expected return on plan assets	-	-
d. Actuarial (gain)/loss	-	-
e. Expenses recognised during the year	-	-

Notes forming part of the Financial Statements (contd.)

	2018-19 ` in lakhs	2017-18 ` in lakhs
6. Assumptions	%	%
a. Discount rate (per annum)	-	-
c. Rate of escalation in salary	-	-

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

33.03 Segment Reporting

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

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

34. Financial instruments

34.01 Capital management

The Company manages its capital to ensure that entities will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Capital structure of the Company consists of net debt (borrowings as detailed in note 20 offset by cash and bank balances) and the total equity of the Company.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, long term-term borrowings, short-term borrowings, less cash and short-term deposits.

	As at 31.03.2019 ` in lakhs	As at 31.03.2018 ` in lakhs	As at 01.04.2017 ` in lakhs
Gearing Ratio			
The gearing ratio at end of the reporting period was as follows			
Debt			
Current borrowings	3,884.52	6,345.05	6,250.07
Net debt	3,884.52	6,345.05	6,250.07
Total equity	4,785.29	2,532.65	2,631.20
Equity share capital	3,463.06	3,463.06	3,463.06
Other equity	1,322.23	(930.41)	(831.86)
Net debt to equity ratio	0.81	2.51	2.38

34.02 Financial risk management objectives and policies

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

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

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

34.03 Market risk

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

Notes forming part of the Financial Statements (contd.)

34.04 Credit risk management

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

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

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

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

34.05 Liquidity risk management

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company has obtained fund and non-fund based working capital lines from various banks. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Liquidity and interest risk tables

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

		` in lakhs					
	Current/ Non Current	Carrying amount	Less than 1 month	1 - 3 months	3 months to 1 year	1 to 5 years	> 5 years
As at 31.03.2019							
Borrowings*	Current	3,884.52	-	-	3,884.52	-	-
Trade payables	Current	1,120.45	-	1,120.45	-	-	-
		5,004.97	-	1,120.45	3,884.52	-	-
As at 31.03.2018							
Borrowings*	Current	6,345.05	-	6,345.05	-	-	-
Trade payables	Current	1,237.63	-	1,237.63	-	-	-
		7,582.68	-	7,582.68	-	-	-
As at 01.04.2017							
Borrowings*	Current	6,250.07	-	6,250.07	-	-	-
Trade payables	Current	1,208.78	-	1,208.78	-	-	-
		7,458.85	-	7,458.85	-	-	-

* The "Borrowing- Current" comprises of loans from Indian Overseas Bank which have been called up and cases are pending before Debt Recovery Tribunal, hence classified under current liability. [Refer Note 35.04]

Notes forming part of the Financial Statements (contd.)

	As at 31.03.2019 in lakhs	As at 31.03.2018 in lakhs	As at 01.04.2017 in lakhs
34.06 Financing facilities			
The following table details the Company's borrowing facilities that are available for future operating activities and to settle capital commitments.			
Secured bank overdraft / working capital demand loan facility reviewed annually and payable at call			
- amount used	-	-	3,900.23
- amount unused	-	-	-
	<u>-</u>	<u>-</u>	<u>3,900.23</u>
Secured bill acceptance facility from bank reviewed annually and payable at call			
- amount used	-	-	-
- amount unused	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>

34.07 Fair value measurements

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

Financial assets and Liabilities

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

As at March 31, 2019						
	Current/ Non Current	Fair Value through Other Profit or Loss	Fair Value through OCI	Amortised Cost	Total Carrying Value	Total Fair Value
Financial Assets:						
Investments in equity instruments	Non Current	-	1,234.36	-	1,234.36	1,234.36
Loans	Non Current	-	-	0.94	0.94	0.94
Trade receivables	Current	-	-	1,378.51	1,378.51	1,378.51
Cash and cash equivalent	Current	-	-	14.51	14.51	14.51
Other balances with Bank	Current	-	-	37.95	37.95	37.95
Loans	Current	-	-	985.63	985.63	985.63
Other financial assets	Current	-	-	3.26	3.26	3.26
Total		<u>-</u>	<u>1,234.36</u>	<u>2,420.80</u>	<u>3,655.16</u>	<u>3,655.16</u>
Financial Liabilities						
Borrowings	Current	-	-	3,884.52	3,884.52	3,884.52
Trade payables	Current	-	-	1,120.45	1,120.45	1,120.45
Other financial liabilities	Current	-	-	77.44	77.44	77.44
Total		<u>-</u>	<u>-</u>	<u>5,082.41</u>	<u>5,082.41</u>	<u>5,082.41</u>
As at March 31, 2018						
Financial Assets:						
Investments in equity instruments	Non Current	-	1,234.36	-	1,234.36	1,234.36
Loans	Non Current	-	-	1,645.16	1,645.16	1,645.16
Trade receivables	Current	-	-	1,601.58	1,601.58	1,601.58
Cash and cash equivalent	Current	-	-	14.16	14.16	14.16
Other balances with Bank	Current	-	-	26.46	26.46	26.46
Loans	Current	-	-	12.10	12.10	12.10
Other financial assets	Current	-	-	2.72	2.72	2.72
Total		<u>-</u>	<u>1,234.36</u>	<u>3,302.18</u>	<u>4,536.54</u>	<u>4,536.54</u>
Financial Liabilities						
Borrowings	Current	-	-	6,345.05	6,345.05	6,345.05
Trade payables	Current	-	-	1,237.63	1,237.63	1,237.63
Other financial liabilities	Current	-	-	77.44	77.44	77.44
Total		<u>-</u>	<u>1,234.36</u>	<u>7,660.12</u>	<u>7,660.12</u>	<u>7,660.12</u>

Notes forming part of the Financial Statements (contd.)

		As at April 1, 2017				
	Current/ Non Current	Fair Value through Other Profie or Loss	Fair Value thorough OCI	Amortised Cost	Total Carrying Value	Total Fair Value
Financial Assets:						
Investments in equity instruments	Non Current	-	1,234.36	-	1,234.36	1,234.36
Loans	Non Current	-	-	1,633.95	1,633.95	1,633.95
Trade receivables	Current	-	-	2,268.74	2,268.74	2,268.74
Cash and cash equivalent	Current	-	-	5.76	5.76	5.76
Other balances with Bank	Current	-	-	24.88	24.88	24.88
Loans	Current	-	-	16.08	16.08	16.08
Other financial assets	Current	-	-	2.17	2.17	2.17
Total		-	1,234.36	3,951.58	5,185.94	5,185.94
Financial Liabilities						
Borrowings	Current	-	-	6,250.07	6,250.07	6,250.07
Trade payables	Current	-	-	1,208.78	1,208.78	1,208.78
Other financial liabilities	Current	-	-	77.44	77.44	77.44
Total		-	-	7,536.29	7,536.29	7,536.29

Fair Value hierarchy

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

- Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

in lakhs

		As at March 31, 2019			
		Level 1	Level 2	Level 3	Total
Financial assets:					
Other investments in equity instruments		-	-	1,234.36	1,234.36
		-	-	1,234.36	1,234.36
As at 31.03.2018					
		Level 1	Level 2	Level 3	Total
Financial assets:					
Other investments in equity instruments		-	-	1,234.36	1,234.36
		-	-	1,234.36	1,234.36
As at 01.04.2017					
		Level 1	Level 2	Level 3	Total
Financial assets:					
Other investments in equity instruments		-	-	1,234.36	1,234.36
		-	-	1,234.36	1,234.36

Notes forming part of the Financial Statements (contd.)

35 Related party transactions

List of related parties and relationship

Name of the related party	Nature of Relationship	Business	Incorporation details
KDC Nirman Ltd.	Subsidiary	Real estate development	04.03.2008
Bengal KDC Housing Development Ltd.	Subsidiary	Housing projects	28.06.2006
Kaushalya Energy (P) Ltd.	Subsidiary	Generation and distribution of power	15.09.2008
Azur Solar KDC (P) Ltd.	Step Down Subsidiary	Generation and Distribution of Solar Power	19.05.2010
Kaushalya Nirman (P) Ltd.	Associate	Real estate development	05.09.2006
Orion Abasaan (P) Ltd.	Associate	Housing projects	05.09.2006
Kaushalya Township (P) Ltd.	Associate	Real estate development	05.09.2006
KIDCO NACC JV	Joint venture	Construction of Small Hydro Power Project	01.07.2009

Particulars	KMP & Close members of their family	Subsidiaries/ Associates/ JV	Total	Outstanding as on March 31, 2019	Outstanding as on March 31, 2018	Outstanding as on April 1, 2017
Remuneration to Key Managerial Person						
Mahesh Mehra, Whole Time Director	11.40	-	11.40	-	-	-
Kartik Mehra, Son of Mahesh Mehra	4.80	-	4.80	-	-	-
Karan Mehra, Son of Mahesh Mehra	4.80	-	4.80	-	-	-
Tarak Nath Mishra, CFO	5.28	-	5.28	0.44	-	-
Sanjay Lal Gupta, Company Secretary	2.10	-	2.10	0.18	-	-
Total	28.38	-	28.38	0.62	-	-
Previous Year						
Prashant Mehra, Ex. Whole Time Director	-	-	-	-	8.50	8.50
Mahesh Mehra, Whole Time Director	11.40	-	11.40	-	30.31	20.00
Kartik Mehra, Son of Mahesh Mehra	4.80	-	4.80	-	12.28	7.50
Karan Mehra, Son of Mahesh Mehra	4.80	-	4.80	-	14.13	9.34
Tarak Nath Mishra, CFO	4.92	-	4.92	-	0.44	1.50
Sanjay Lal Gupta, Company Secretary	1.88	-	1.88	-	0.18	0.60
Total	27.80	-	27.80	-	65.84	47.44
Sitting Fee to directors						
Asoke Das	0.44	-	0.44	-	-	-
Anil Kumar Agarwal	0.30	-	0.30	-	-	-
Minoti Nath	0.44	-	0.44	-	-	-
Total	1.18	-	1.18	-	-	-
Previous Year						
Asoke Das	0.51	-	0.51	-	-	-
Anil Kumar Agarwal	0.34	-	0.34	-	-	-
Minoti Nath	0.51	-	0.51	-	-	-
Total	1.36	-	1.36	-	-	-
Rent Paid						
Neeru Mehra	6.00	-	6.00	-	-	-
Total	6.00	-	6.00	-	-	-
Previous Year						
Neeru Mehra	-	-	-	-	5.40	5.40
	-	-	-	-	5.40	5.40

Notes forming part of the Financial Statements (contd.)

Particulars	KMP & Close members of their family	Subsidiaries/ Associates/ JV	Total	Outstanding as on March 31, 2019	Outstanding as on March 31, 2018	Outstanding as on April 1, 2017
Loan taken from subsidiary						
Bengal KDC Housing Development Ltd.	-	156.00	156.00	726.00	-	-
KDC Nirman Ltd.	-	11.91	11.91	11.91	-	-
	-	167.91	167.91	737.91	-	-
Previous Year						
Bengal KDC Housing Development Ltd.	-	544.00	544.00	-	570.00	26.00
	-	544.00	544.00	-	570.00	26.00
Advance Repaid						
Azur Solar KDC (P) Ltd.	-	13.26	13.26	-	-	-
	-	13.26	13.26	-	-	-
Previous Year						
Azur Solar KDC (P) Ltd.	-	1.50	1.50	-	13.26	14.76
Total	-	1.50	1.50	-	13.26	14.76
Advance Taken						
Kidco NACC JV	-	-	-	93.39	-	-
Total	-	-	-	93.39	-	-
Previous Year						
Kidco NACC JV	-	-	-	-	93.39	93.39
	-	-	-	-	93.39	93.39

36 Approval of Financial Statements

The financial statements were approved for issue by the board of directors on May 30, 2019.

As per terms of our report attached.

For and on behalf of the Board of Directors

For Monu Jain & Company

Firm Regn. No. 327900E

Chartered Accountants

Mahesh Mehra
Whole-time Director

Tarak Nath Mishra
CFO

Sanjay Lal Gupta
Company Secretary

Monu Jain

Partner

Membership No. 302721

Place : Kolkata

Date : 30th May, 2019

Consolidated Financials

Independent Auditors' Report

To The Members of

KAUSHALYA INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED

Report on the Consolidated Ind AS Financial Statements

OPINION

We have audited the accompanying Consolidated Financial Statements of KAUSHALYA INFRASTRUCTURE DEVELOPMENT CORPORATION LTD. (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and joint ventures comprising of the consolidated Balance sheet as at March 31, 2019, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement and the consolidated statement of Changes in Equity for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint ventures, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at March 31, 2019, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

BASIS FOR OPINION

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

the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

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

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

Independent Auditor's Report (contd.)

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

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates and joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used

for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the Group and of its associates and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent Auditor's Report (contd.)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and joint ventures of which we are the independent auditors and whose financial information we have audited, to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried

out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTER

The Consolidated Ind AS financial statements includes 4 subsidiaries which reflect total assets of ` 9543.49 lakh as at March 31, 2019, total revenues of ` 2662.80 lakh and net cash outflow of ` 60.37 lakh for the year then ended and the financial statements of an associate which reflect Group's share of net loss of ` 60.63 lakh for the year ended on March 31, 2019, which have been audited by us.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the

Independent Auditor's Report (contd.)

other financial information of subsidiaries, associates and joint ventures, as noted in the 'Other Matter' paragraph we report, to the extent applicable, that:

- (a) We / the other auditors whose report we have relied upon, have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

- (d) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiaries, associates and joint ventures, none of the directors of the Group's companies, its associates and joint ventures incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
- (e) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these Consolidated Financial Statements of the Holding Company and its subsidiary companies, associate companies and joint ventures incorporated in India, refer to our separate Report in "Annexure 2" to this report;

- (f) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, associates and joint ventures incorporated in India, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Holding Company, its subsidiaries, associates and joint ventures incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associates and joint ventures, as noted in the 'Other matter' paragraph:

- The Consolidated Financial Statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associates and joint ventures in its Consolidated Financial Statements – Refer Note 36 to the Consolidated Financial Statements;
- Provision has been made in the Consolidated Financial Statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
- There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, associates and joint ventures incorporated in India during the year ended March 31, 2019.

For MONU JAIN & COMPANY

Firm Regn. No: 327900E

Chartered Accountants

Monu Jain

Partner

Place: Kolkata

Date: 30th May, 2019

Membership No:

302721

Consolidated Balance Sheet as at 31st March, 2019

		(` in lakhs)		
Particulars	Notes	As at 31.03.2019	As at 31.03.2018	As at 1.04.2017
(I) ASSETS				
(1) Non-current assets				
a) Property, plant and equipment	4	224.13	267.73	316.30
b) Intangible assets	5	0.17	0.17	0.17
c) Investment property	6	266.07	266.07	266.07
		<u>490.37</u>	<u>533.97</u>	<u>582.54</u>
d) Investments in associates	7A	3,711.08	3,771.71	3,782.14
e) Financial assets				
i) Investments in equity instruments	7B	1,237.15	1,234.71	1,234.71
ii) Loans and Advances	8	448.61	2,156.02	2,020.75
iii) Other financial assets		-	-	16.00
f) Other non-current assets	9	0.10	-	-
g) Deferred tax asset (net)	20	575.26	-	-
h) Income tax assets (net)	10	603.62	579.55	605.61
		<u>7,066.18</u>	<u>8,275.96</u>	<u>8,241.75</u>
(2) Current Assets				
a) Inventories	11	46.88	48.34	48.54
b) Financial assets				
i) Trade receivables	12	1,378.51	1,601.58	2,275.31
ii) Cash and cash equivalents	13	17.88	78.25	12.08
iii) Other balances with Bank	13	40.15	28.66	24.88
iv) Loans and advances	14	990.63	12.10	16.08
v) Other financial assets	15	3.26	2.72	679.64
		<u>2,477.31</u>	<u>1,771.65</u>	<u>3,056.53</u>
TOTAL ASSETS		<u>9,543.49</u>	<u>10,047.61</u>	<u>11,298.28</u>
(II) EQUITY AND LIABILITIES				
(1) Equity				
a) Equity share capital	16	3,463.06	3,463.06	3,463.06
b) Other equity	17	1,275.46	(948.42)	(844.55)
		<u>4,738.52</u>	<u>2,514.64</u>	<u>2,618.51</u>
(2) Non Controlling Interest	18	41.81	13.79	8.72
(3) Non-current liabilities				
a) Financial liabilities				
i) Borrowings		0.00	0.00	0.00
ii) Other financial liabilities		-	-	-
b) Provisions	19	8.46	8.46	8.46
c) Other non-current liabilities		-	-	-
d) Deferred tax liabilities (Net)	20	-	33.17	46.55
		<u>8.46</u>	<u>41.63</u>	<u>55.01</u>
(4) Current liabilities				
a) Financial liabilities				
i) Borrowings	21	3,146.61	5,775.05	6,224.07
ii) Trade payables	22	1,128.60	1,252.67	1,211.00
iii) Other financial liabilities	23	77.44	77.44	77.44
b) Other current liabilities	24	402.05	372.39	1,103.53
		<u>4,754.70</u>	<u>7,477.55</u>	<u>8,616.04</u>
TOTAL EQUITY AND LIABILITIES		<u>9,543.49</u>	<u>10,047.61</u>	<u>11,298.28</u>

See accompanying notes forming part of the financial statements
 As per terms of our report attached.

For Monu Jain & Company

Firm Regn. No. 327900E

Chartered Accountants

Monu Jain

Partner

Membership No. 302721

Place : Kolkata

Date : 30th May, 2019

For and on behalf of the Board of Directors

Mahesh Mehra
Whole-time Director

Tarak Nath Mishra
CFO

Sanjay Lal Gupta
Company Secretary

Consolidated Statement of Profit and Loss for the year ended 31st March, 2019

(₹ in lakhs)

Particulars	Notes	For the year ended 31st March, 2019	For the year ended 31st March, 2018
1) Revenue from operations	25	22.47	31.38
2) Other income	26	2,640.33	33.12
3) Total Revenue (1) + (2)		2,662.80	64.50
4) EXPENSES			
a) Cost of materials consumed	27	4.99	7.68
b) Recoveries from unrecoverable work contracts	28	-	(34.83)
c) Changes in inventories of work in progress	29	-	-
d) Employee benefits expense	30	44.99	49.24
e) Finance costs	31	0.32	6.71
f) Depreciation expense	32	43.59	44.41
g) Other expenses	33	849.59	90.68
Total Expenses (4)		943.48	163.89
5) Share of profit/(loss) of joint ventures and associates		(60.63)	(10.43)
6) Profit before tax (3) - (4) + (5)		1,658.69	(109.82)
7) Tax Expense	34		
a) Current tax		-	-
i) Current tax for current year		17.64	2.34
ii) Current tax for the previous years		0.01	0.01
b) Deferred tax			
i) Deferred tax for current year		(608.43)	(13.38)
ii) Deferred tax relating to previous years		-	-
Total tax expense (7)		(590.78)	(11.03)
8) Profit for the year (6) - (7)		2,249.47	(98.79)
9) Other comprehensive income			
a) Items that will be reclassified to statement of profit and loss		-	-
b) Items that will not be reclassified to statement of profit and loss		2.44	-
Total other comprehensive income (9)		2.44	-
10) Total comprehensive income for the period (8) + (9)		2,251.91	(98.79)
Total Comprehensive Income Attributable to			
Equity Shareholders of the Parent		2,223.88	(103.87)
Non controlling Interest		28.03	5.08
11) Earnings per equity share: (Face value of share of Rs 10 each)	35		
a) Basic		6.42	(0.30)
b) Diluted		6.42	(0.30)

See accompanying notes forming part of the financial statements

In terms of our report attached.

For and on behalf of the Board of Directors

For Monu Jain & Company

Firm Regn. No. 327900E

Chartered Accountants

Monu Jain

Partner

Membership No. 302721

Place : Kolkata

Date : 30th May, 2019

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

Consolidated Cash Flow Statement for the year ended 31st March, 2019

Particulars	(` in lakhs)	
	For the year ended 31.03. 2019	For the year ended 31.03.2018
A. Cash Flow from Operating activities:		
Profit before tax	1,658.69	(109.82)
<i>Adjustments for:</i>		
Depreciation expense	43.59	44.41
Interest income	(2.35)	(2.39)
Interest expenses	0.32	6.71
Operating profit before working capital changes	1,700.25	(61.09)
<i>Adjustments for (increase)/decrease in operating assets</i>		
Inventories	1.46	0.20
Trade receivables	223.07	673.73
Current financial assets	0.00	677.47
<i>Adjustments for increase/(decrease) in operating liabilities</i>		
Trade Payables	(124.07)	41.67
Current financial liabilities	-	-
Other current liabilities	29.66	(731.14)
Provisions	-	-
Cash generated from operations	1,830.37	600.83
Direct taxes paid	(41.73)	23.72
Net cash generated from operating activities	1,788.64	624.55
B. Cash Flow from Investing activities:		
Movement in investment in associates	60.63	10.43
Disposal of fixed assets	-	4.16
Movement in non-current financial assets	-	16.00
Movement in non-current other assets	(0.10)	-
Movement in non-current loans and advances	1,707.41	(135.27)
Movement in current loans and advances	(978.53)	3.98
Movement in fixed deposit held as margin	(11.49)	(3.78)
Interest received	1.81	1.84
Net cash (used in) investing activities	779.73	(102.64)

Consolidated Cash Flow Statement for the year ended 31st March, 2019 (Contd.)

Particulars	(` in lakhs)	
	For the year ended 31.03.2019	For the year ended 31.03.2018
C. Cash Flow from Financing activities:		
Movement in Cash Credit	-	(3,900.23)
Movement in Loan from banks & others	(2,628.43)	3,451.21
Interest paid	(0.32)	(6.71)
Net cash (used in) financing activities	(2,628.75)	(455.74)
Net increase/(decrease) in cash and cash equivalents	(60.37)	66.17
Cash and cash equivalents as at 1 April¹	78.25	12.08
Cash and cash equivalents as at 31 March¹	17.88	78.25

See accompanying notes forming part of the financial statements

1. Cash and cash equivalents represents cash, cheques on hand and balances with banks. (Refer Note. 13)
2. Figures in brackets represent outflows.

As per terms of our report attached.

For and on behalf of the Board of Directors

For Monu Jain & Company

Firm Regn. No. 327900E
Chartered Accountants

Mahesh Mehra
Whole-time Director

Tarak Nath Mishra
CFO

Sanjay Lal Gupta
Company Secretary

Monu Jain

Partner

Membership No. 302721

Place : Kolkata

Date : 30th May, 2019

Consolidated Statement of Changes in Equity for the year ended 31st March, 2019

A. Equity Share Capital

Particulars	Amount in lakhs
Balance as at April 1, 2017	3,463.06
Changes in equity share capital during the year ended March 31, 2017	-
Balance as at March 31, 2018	3,463.06
Changes in equity share capital during the year ended March, 2018	-
Balance as at March 31, 2019	3,463.06

B. Other Equity

in lakhs

Statement of changes in Equity	Reserves and surplus		Retained earnings		Total Equity
	Security Premium	General Reserve	Investment Revaluation Reserve	Retained Earnings	
Balance at April 1, 2017	4,793.85	484.87	-	(6,123.27)	(844.55)
Profit for the year	-	-	-	(103.88)	(103.88)
Other Comprehensive Income	-	-	-	-	-
Balance at March 31, 2018	4,793.85	484.87	-	(6,227.15)	(948.44)
Profit for the year	-	-	-	2,223.88	2,223.88
Other Comprehensive Income	-	-	-	-	-
Balance at March 31, 2019	4,793.85	484.87	-	(4,003.27)	1,275.44

See accompanying notes forming part of the financial statements

As per terms of our report attached.

For and on behalf of the Board of Directors

For Monu Jain & Company

Firm Regn. No. 327900E

Chartered Accountants

Mahesh Mehra
Whole-time Director

Tarak Nath Mishra
CFO

Sanjay Lal Gupta
Company Secretary

Monu Jain

Partner

Membership No. 302721

Place : Kolkata

Date : 30th May, 2019

Notes forming part of the Consolidated Financial Statements

1. General corporate information

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

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

2. Application of new and revised Ind As

New Ind AS that has been issued but is not effective as of the closing day of the reporting period: Ind AS 116 "Leases"

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

This will have no impact on the company as the company does not have any leased asset.

3. Summary of significant accounting policies

3.01 Statement of compliance

The financial statements have been prepared in accordance with Ind ASs notified under the Companies (Indian Accounting Standard) Rules, 2015. Upto the financial year ended March 31, 2017, the Company prepared its financial statements in accordance with the requirements of previous GAAP which included Standards notified under the Section 133 of the Companies Act, 2013.

3.02 Basis of preparation and presentation

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement

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

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

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

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

The consolidated Balance Sheet and the consolidated Statement of Profit and Loss are prepared and presented in the format prescribed in the Division II of Schedule III to the Companies Act, 2013. The consolidated Statement of Cash Flows has been prepared and presented as per the requirements of IndAS 7 “Statement of Cash Flows”. The disclosure requirements with respect to items in the Balance Sheet and

Statement of Profit and Loss, as prescribed in the Schedule III to the Companies Act, 2013 are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Indian Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

3.03 Use of Estimates

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

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

3.04 Revenue recognition

i) 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 contracts, are recognized over the life of the contract using the Percentage of 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 when services are performed.

ii) Contract Income

The Company follows the policy of recognizing the revenue as soon as the

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

work is completed, irrespective of the certification. However, whenever the work gets certified, the company takes the certified portion of the previously uncertified revenue and deducts the same amount from the uncertified portion of the revenue of the respective financial year.

iii) Income from Hotel

Income from hotel is recognized on accrual basis. Revenue and expenses have been shown on a gross basis against each P&L line items instead of the earlier method of reflecting the same after netting off revenue and expenses before depreciation in the Revenue from Operations line as per the policy adopted at the time of finalisation of audited results as on 31st March, 2019.

iv) Other Income

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

Hire Charges: Income from hire charge is recognised on accrual basis.

Others: Income from agricultural activities, consultancy etc. is recognized on accrual basis.

3.05 Employee Benefits

i) Short-term benefits

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

ii) Defined retirement benefits

The cost of providing defined benefit retirement benefits are determined using the projected unit credit method. The company provides gratuity to its

employees. Gratuity liabilities are not funded.

Remeasurements, comprising actuarial gains and losses, return on plan assets excluding amounts included in net interest on the net benefit liability (asset) and any change in the effect of the asset ceiling (if applicable) are recognised in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in the comprehensive income are not reclassified to profit and loss but recognised directly in the retained earnings. Past service costs are recognised in profit and loss in the period in which the amendment to plan occurs. Net interest is calculated by applying the discount rate to the net defined liability or asset at the beginning of the period, taking into account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

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

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

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

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

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

3.06 Taxation

i) Current tax

Current tax is the amount of tax payable on the taxable profit for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Taxable profit differs from 'Profit Before Tax' as reported in the consolidated statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

ii) Deferred tax

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

recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, joint ventures and associates, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from the deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which the benefits of the temporary difference can be utilised and they are expected to reverse in the foreseeable future.

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

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

iii) Minimum alternate tax

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is recognised as an asset in the balance sheet when there is convincing evidence that the Company will pay

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

normal income tax during the specified period and it is probable that future economic benefit associated with it will flow to the Company.

iv) Current tax and deferred tax

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

3.07 Property, Plant and equipment

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

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

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

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

Estimated useful lives of the assets are as follows:

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

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

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

3.08 Borrowing Costs

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

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

3.09 Impairment of tangible and intangible assets other than goodwill

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

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

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

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

3.10 Inventories

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

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

3.11 Provisions, Contingent liabilities and Contingent assets

03.11.01 Provisions

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

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

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

03.11.02 Onerous contracts

An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received

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

from the contract. Present obligation arising under onerous contracts are recognised and measured as provisions.

03.11.03 Contingent liabilities and assets

Contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or is a present obligation that arises from past events but is not recognised because either it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a reliable estimate of the amount of the obligation cannot be made. Contingent liabilities are disclosed and not recognised. Contingent assets are neither recognised nor disclosed.

3.12 Financial instruments

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

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

3.13 Financial assets

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

depending on the classification of the financial assets.

3.13.01 Classification of financial assets

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

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

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

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

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

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

All other financial assets are subsequently measured at fair value.

3.13.02 Effective interest method

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

Income is recognised on a effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit and loss and is included in the “Other income” line item.

3.13.03 Investments in equity instruments at FVTOCI

On initial recognition, the Company make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in the fair value of investments in equity instruments (other than investments held for trading) in other comprehensive income. These instruments are initially measured at fair value plus transaction costs. Subsequently they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the ‘Reserve for Equity through other comprehensive income’. On disposal of these investments the cumulative gain or loss is nor reclassified to profit and loss.

Dividends on these investments in equity instruments are recognised in profit and loss when the Company’s right to receive dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount

of dividend can be measured reliably. Dividends are included as part of ‘Other income’ in the profit and loss.

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

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

3.13.05 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on trade receivables, other contractual rights to receive cash or other financial instruments. Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate. The Company estimates cash flows by considering all contractual terms of the financial instrument.

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

If the Company measures the loss allowance for a financial instrument at lifetime expected credit loss model in

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

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

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

3.13.06 Derecognition of financial assets

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

On derecognition of financial asset in its entirety, the difference between the asset's carrying amounts and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in

profit and loss if such gain or loss would have otherwise been recognised in profit and loss on disposal of that financial asset.

3.14 Financial liabilities and equity instruments

3.14.01 Classification as debt or equity

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

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

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

3.14.02 Financial liabilities

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

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

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

3.14.03 Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-

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

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

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

3.14.04 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial

difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3.15 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.

3.16 Operating Cycle

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

3.17 Rounding Off

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

4. Property, plant and equipment

Carrying amount of:

- a) Freehold land
- b) Buildings
- c) Plant and Machinery
- d) Furniture and Fixtures
- e) Motor Vehicles
- f) Office Equipments

As at 31.03.2019 ` in Lakhs	As at 31.03.2018 ` in Lakhs	As at 01.04.2017 ` in Lakhs
-	-	-
73.88	75.42	76.96
150.04	191.93	232.31
0.11	0.23	6.68
0.10	0.12	0.21
-	0.03	0.14
224.13	267.73	316.30

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

` in lakhs

4.01. Property, plant and equipment

	Freehold Land	Freehold Building	Plant and Machinery	Furniture and fixtures	Motor Vehicles	Office equipments	Total
Cost or deemed cost							
Balance at April 1, 2017	-	78.50	272.69	9.89	0.67	0.26	362.01
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	(8.14)	-	-	(8.14)
Balance at March 31, 2018	-	78.50	272.69	1.75	0.67	0.26	353.87
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Balance at March 31, 2019	-	78.50	272.69	1.75	0.67	0.26	353.87
Accumulated depreciation							
Balance at April 1, 2017	-	1.54	40.38	3.21	0.46	0.12	43.31
Depreciation expense	-	1.54	40.38	2.29	0.09	0.11	44.41
Disposals	-	-	-	(3.98)	-	-	(3.98)
Balance at March 31, 2018	-	3.08	80.76	1.52	0.55	0.23	83.74
Depreciation expense	-	1.54	41.89	0.12	0.02	0.03	43.60
Disposals	-	-	-	-	-	-	-
Balance at March 31, 2019	-	4.62	122.65	1.64	0.57	0.26	127.34
Carrying amount							
Balance at April 1, 2017	-	76.96	232.31	6.68	0.21	0.14	316.30
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	(4.16)	-	-	(4.16)
Depreciation expense	-	(1.54)	(40.38)	(2.29)	(0.09)	(0.11)	(44.41)
Balance at March 31, 2018	-	75.42	191.93	0.23	0.12	0.03	267.73
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Depreciation expense	-	(1.54)	(41.89)	(0.12)	(0.02)	(0.03)	(43.60)
Balance at March 31, 2019	-	73.88	150.04	0.11	0.10	-	224.13

Note:

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

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

05. Intangible Assets

		Rs in lakhs
	<u>Goodwill</u>	<u>Total</u>
Cost or deemed cost		
Balance at April 1, 2017	0.17	0.17
Additions	-	-
Disposals	-	-
Balance at March 31, 2018	0.17	0.17
Additions	-	-
Disposals	-	-
Balance at March 31, 2019	0.17	0.17
Accumulated amortisation		
Balance at April 1, 2017	-	-
Depreciation expense	-	-
Disposals	-	-
Balance at March 31, 2018	-	-
Depreciation expense	-	-
Disposals	-	-
Balance at March 31, 2019	-	-
Carrying amount		
Balance at April 1, 2017	0.17	0.17
Additions	-	-
Disposals	-	-
Depreciation expense	-	-
Balance at March 31, 2018	0.17	0.17
Additions	-	-
Disposals	-	-
Depreciation expense	-	-
Balance at March 31, 2019	0.17	0.17

	<u>As at 31.03.2019</u>	<u>As at 31.03.2018</u>	<u>As at 01.04.2017</u>
	<u>Rs in lakhs</u>	<u>Rs in lakhs</u>	<u>Rs in lakhs</u>
6 Investment property			
Investment in land			
Opening balance	266.07	266.07	266.07
Additions	-	-	-
Closing balance	266.07	266.07	266.07

Note:- Investment in land has been reclassified under "Investment Property". It was earlier classified as "Non Current Investment" under Financial Asset. The effect of the same has been taken retrospectively.

To present this change, additional balance sheet has been presented for the first day of comparative period (i.e. for 1.4.2017) in line with the requirements of Ind AS 8: Accounting Policies, Changes in Accounting Estimates, and Errors.

Due to such rectification, "Investment Property" has increased by Rs. 266.07 (Lakhs) and "Investment in non-current asset" has decreased by ` 266.07 (Lakhs).

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

	As at 31.03.2019		As at 31.03.2018		As at 01.04.2017	
	Qty Nos.	Amount in lakhs	Qty Nos.	Amount in lakhs	Qty Nos.	Amount in lakhs
7 Non-current investments						
A) Investments in associates (carried at cost)						
Unquoted Investments (all fully paid)						
Investments in Equity Instruments of						
Kaushalya Township Pvt. Ltd.		155.17		155.17	-	155.17
Add: Investment in associates by						
Bengal KDC Housing Development Limited				5.01		5.01
Kaushalya Nirman Pvt. Ltd.	46,000	19.40	46,000	19.40	46,000	19.40
Orion Abasaan Pvt. Ltd.	29,000	10.90	29,000	10.90	29,000	10.90
Add: Share of profit of Associates						
	3,92,357	185.47	3,92,357	190.48	3,92,357	190.48
Investments in 10% Redeemable						
Non-Cumulative Preference Shares						
of FV Rs.10/- each of:						
Kaushalya Township Pvt. Ltd.	34,98,630	1,994.22	34,98,630	1,994.22	34,98,630	1,994.22
Kaushalya Nirman Pvt. Ltd.	8,79,968	510.38	8,79,968	510.38	8,79,968	510.38
Orion Abasaan Pvt. Ltd.	19,85,740	1,092.16	19,85,740	1,092.16	19,85,740	1,092.16
Add: Share of profit		(71.06)		(10.43)		-
	63,64,338	3,525.70	63,64,338	3,586.33	63,64,338	3,596.76
	67,56,695	3,711.17	67,56,695	3,776.81	67,56,695	3,787.24

Note:- Investment in Subsidiaries and Associates was earlier shown under Non-Current Investment. This has been regrouped retrospectively to confirm with the requirements of Schedule III Division II.

B) Investments in equity instruments (carried at fair value through Other Comprehensive Income)

Total Investments carrying value

Unquoted Investments (all fully paid)

Investments in Equity Instruments of:

Balaji Turnkey Projects Solution (P) Ltd.	514.35	514.35	-	514.35
Enlightened Projects Ltd.	293.25	293.25	-	293.25
Orkay Engineering Ltd.	426.50	426.50	-	426.50
Flare Realty Engineering (P) Ltd.	2.96	0.52	-	0.52
	1,237.06	1,234.62	-	1,234.62

Note:- Investment in Equity Instrument was earlier shown under Non Current Investment. This has been regrouped retrospectively to confirm with the requirements of Schedule III Division II.

Although, the Company holds more than 20% of the shareholding of the above mentioned companies but does not have significant influence over the same. Hence, the Company has not applied Ind AS 28: Investment in Associates and Joint Ventures while preparing the separate financial statements. Rather, the company has applied Ind AS 109: Financial Instruments for recognition and measurement of investments in the above mentioned companies.

Aggregate book value of quoted investments

Aggregate book value of un'quoted investments	5,008.86	-	-	5,016.85
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Aggregate market value of quoted investments	-	-	-	
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Notes forming part of the Consolidated Financial Statements (contd.)

	As at 31.03.2019 ` in lakhs	As at 31.03.2018 ` in lakhs	As at 01.04.2017 ` in lakhs
8 Loans (Non Current)			
(Unsecured Considered good)			
Telephone Deposit	0.14	13.93	13.93
Security deposits (Carried at amortised cost)	245.40	1,573.26	1,560.55
Less: Loss Allowance	202.27	510.33	387.77
Advance to related party	-	-	-
Other advances	-	57.45	57.45
Deposits with govt Authorities	0.80	1.05	1.05
	448.61	2,156.02	2,020.75

Note:- Security deposit was earlier grouped under Other financial assets. This has now been regrouped under Loans and Advances to confirm with the requirement of Schedule III Division II of Companies Act, 2013.

9 Other Financial assets - Non-Current			
a) Security Deposit -NSDL	0.10	-	-
b) Other Advances	-	-	-
	0.10	-	-
10 Income tax assets (Net)			
At beginning of year	579.55	605.61	605.51
Changes for the year	28.42	(29.93)	0.10
Tax paid (Net) during year	(4.35)	3.87	-
At end of year- Advance tax/ (Provision for Tax)	603.62	579.55	605.61

Note:- Advance Income Tax has been netted off with the provision for income tax

Note:- Income tax asset was earlier shown on gross basis under Other non-current asset. This has been regrouped and presented as net of provision, retrospectively so as to confirm with the requirements of Schedule III Division II of Companies Act, 2013 and Ind AS 12: Income Taxes.

11 Inventories (At lower of cost and net realisable value)			
a) Work in progress (At lower of cost and net realisable value)	41.04	41.04	41.04
b) Finished products (At lower of cost and net realisable value)	5.84	7.30	7.50
	46.88	48.34	48.54
12 Trade receivables (Current)			
a) Unsecured, considered good	2.81	1,601.58	2,275.31
b) Unsecured, considered doubtful	2,575.70	4,000.00	4,000.00
Less: Allowance for Expected credit losses	1,200.00	4,000.00	4,000.00
	1,378.51	1,601.58	2,275.31

Movement in the expected credit loss allowance

Balance at beginning of the year	(4,000.00)	4,000.00	-
Expected credit loss allowance created on trade receivables, calculated at lifetime expected credit losses.	2,800.00	-	4,000.00
Balance at end of the year	1,200.00	4,000.00	4,000.00

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

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

	As at 31.03.2019 ` in lakhs	As at 31.03.2018 ` in lakhs	As at 01.04.2017 ` in lakhs
13 Cash and bank balances			
a) Cash and cash equivalents			
i) Cash in hand	8.81	6.35	10.13
ii) Balances with banks	0.08	0.28	0.28
In current accounts	8.99	64.62	1.67
iii) Cheques in hand	-	7.00	-
Total cash and cash equivalents	17.88	78.25	12.08
b) Other bank balances			
In deposit account (Unencumbered)	12.24	2.20	-
In deposit account (held as Margin/against Earnest Money Deposit/Performance Security/Others)	27.91	26.46	24.88
Less: Margin money invoked by bank*	-	-	-
Total other balances with bank	40.15	28.66	24.88
Total cash and bank balances	58.03	106.91	36.96

Note:-1. "Cheques in hand" was incorrectly classified as "Other non-current financial asset" for the FY 2017-18. The same has been recetified retrospectively to confirm with the requirements of Ind AS 32: Financial Instruments: Presentation.

Due to such reclassification, "Other non-current financial asset" decreased by Rs 7.00 (lakhs) and Cash and Cash Equivalent increased by Rs. 7.00 (Lakhs) as at 31.3.2018.

2. Fixed Deposit held with bank was incorrectly classified under Cash and Cash Equivalent. This has now been regrouped under Other Bank Balances with retrospective effect.

Included above

i) Earmarked balance held as Margin/ against Earnest Money Deposit/Performance Security/Others	27.91	26.46	24.88
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* The bank has invoked the margin money and forfeited the amount.

14 Loans (Current)			
a) Security Deposits	1,273.00	-	-
Less: Loss allowance	(357.34)	-	-
b) Advance to staff	1.32	0.57	0.77
c) Other Advances	68.65	11.53	15.31
d) Loans to related party	-	-	-
e) Loans to body corporate	5.00	-	-
f) Loan to holding company	-	-	-
	990.63	12.10	16.08
15 Other financial assets (current)			
a) Interest accrued on financial assets carried at amortised cost	3.26	2.72	2.17
b) Receivable from group company	-	-	677.47
	3.26	2.72	679.64
16 Share capital			
Authorised:			
3,50,00,000 Equity Shares of ` 10 each	3,500.00	3,500.00	3,500.00
(as at March 31, 2018 : 3,50,00,000; as at April 1, 2017:			
3,50,00,000 Equity Shares of ` 10/- each)	3,500.00	3,500.00	3,500.00
Issued, Subscribed and fully paid up:			
3,46,30,630 Equity Shares of ` 10 each	3,463.06	3,463.06	3,463.06
(as at March 31, 2018 : 3,46,30,630; as at April 1, 2017:			
3,46,30,630 Equity Shares of ` 10/- each)	3,463.06	3,463.06	3,463.06

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

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

	For the year ended 31.03.2019		For the year ended 31.03.2018	
	No. of Shares	Amount ` in lakhs	No. of Shares	Amount ` in lakhs
Equity shares				
Issued, subscribed and fully paid up:				
At beginning and end of the year	3,46,30,630	3,463.06	3,46,30,630	3,463.06

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

	As at 31.03.2019		As at 31.03.2018	
	No. of Shares	%	No. of Shares	%
Mahanti Engineers Pvt. Ltd.	50,82,600	14.68%	50,82,600	14.68%
Sunkissed Merchandise Pvt. Ltd.	50,22,900	14.50%	50,22,900	14.50%
Keleenworth Marketing Pvt. Ltd.	43,36,350	12.52%	43,36,350	12.52%

Rights, preferences and restrictions attached to shares

Equity Shares

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

	As at 31.03.2019 ` in lakhs	As at 31.03.2018 ` in lakhs	As at 01.04.2017 ` in lakhs
17 Other Equity			
a) Securities premium reserves	4,793.85	4,793.85	4,793.85
b) General reserve	484.87	484.87	484.87
c) Investment revaluation reserve	-	-	-
d) Retained Earnings	(4,003.26)	(6,227.14)	(6,123.27)
	1,275.46	(948.42)	(844.55)
Securities premium reserve			
Opening and closing balance	4,793.85	4,793.85	4,793.85
	4,793.85	4,793.85	4,793.85
General reserve			
Opening and closing balance	484.87	484.87	484.87
Investment revaluation reserve			
Opening balance	-	-	-
Changes during the year	-	-	-
Closing balance	-	-	-
Retained Earnings			
Opening balance	(6,227.14)	(6,123.27)	(6,123.27)
Profit/Loss for the period	2,223.88	(103.88)	-
Closing balance	(4,003.26)	(6,227.14)	(6,123.27)
	1,275.46	(948.42)	(844.55)

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

	As at 31.03.2019 ` in lakhs	As at 31.03.2018 ` in lakhs	As at 01.04.2017 ` in lakhs
18 Non Controlling Interest			
Non controlling interest of subsidiaries			
a) KDC Nirman Limited	8.39	8.04	8.24
b) Bengal KDC Housing Development Limited	36.06	9.10	3.67
c) Kaushalya Energy Private Limited	(2.83)	(3.38)	(3.23)
d) Azur Solar Private Limited	0.19	0.03	0.04
	41.81	13.79	8.72
19 Provisions			
a) Provision for employee benefits (Gratuity)	8.46	8.46	8.46
	8.46	8.46	8.46
20 Deferred tax balances			
Deferred tax assets	604.30	2.18	2.62
Deferred tax liabilities	(29.05)	(35.35)	(49.17)
	575.26	(33.17)	(46.55)
For the year ended 31.03.2019	Opening Balance	Recognised in P&L	Closing Balance
Deferred tax (liabilities)/assets in relation to:			
Property, plant and equipment	(35.35)	(6.31)	(29.04)
Brought forward losses	-	(602.09)	602.09
Provision for employee benefits	2.18	(0.02)	2.20
	(33.17)	(608.42)	575.26
For the Year ended 31.03.2018			
Property, plant and equipment	(49.17)	(13.81)	(35.35)
Provision for employee benefits	2.62	0.44	2.18
	(46.55)	(13.38)	(33.17)
Deferred tax asset has been recognised on brought forward tax losses in the current year. This is on account of the fact that recognition criteria of Deferred tax of has been met in light of the significant developments regarding restructuring of loans in the current year.			
21 Current Borrowings			
A. Secured - at amortised cost			
a) Repayable on demand			
From banks			
a) Cash credit	-	-	3,900.23
b) Loan from Bank	3,146.61	5,775.05	2,263.32
c) From Body corporate	-	-	60.52
d) From group companies	-	-	-
Total secured borrowings	3,146.61	5,775.05	6,224.07
B. Un Secured - at amortised cost			
a) Unsecured loans from group companies	-	-	-
Total unsecured borrowings	-	-	-
Total borrowings	3,146.61	5,775.05	6,224.07
22 Trade Payables			
a) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,128.60	1,252.66	1,211.00
Total trade payables	1,128.60	1,252.66	1,211.00

Note:- The company does not have any outstanding dues to micro, small and medium enterprise for more than 45 days during the period and as on March 31, 2019 since it has not received any declaration/notice/letters from its creditors certifying or indicating them as Micro Small and Medium Enterprises.

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

	As at 31.03.2019 ` in lakhs	As at 31.03.2018 ` in lakhs	As at 01.04.2017 ` in lakhs
23 Other Financial liabilities			
Security Deposits	77.44	77.44	77.44
	77.44	77.44	77.44

Note-Security Deposit received amounting to Rs.77.44 lakhs from Vendors have been reclassified from Other Current Liabilities and shown under Other Current Financial Liabilities to comply with requirement of Schedule III Division II.

24 Other Current Liabilities			
a) Advance received from customers	230.66	230.66	870.52
Advance from Joint Venture	93.39	93.39	93.39
b) Employee recoveries and employer's contributions	0.18	0.19	0.51
c) Statutory dues	77.82	48.15	139.11
d) Other outstanding liabilities	-	-	-
Total other liabilities	402.05	372.39	1,103.53

Note- 'Other Long Term Liabilities' relating to Joint Venture Project of Rs. 93.39 lakhs (Prior year Rs. 93.39 lakhs) has now been reclassified under 'Other current Liabilities', retrospectively to comply with the provisions of Schedule III Division II. Due to such reclassification, Other current Liabilities has been increased by 93.39 Lakhs and Other Long Term Liabilities has been reduced by the same amount i.e 93.39 lakhs.

	For the year ended 31.03.2019 ` in lakhs	For the Year ended 31.03.2018 ` in lakhs
25 Revenue from operations		
a) Contracts receipts	-	11.12
b) Receipts from hotel	15.42	15.26
c) Revenue from agricultural business	7.05	5.00
Revenue from Operations (Net)	22.47	31.38

Note:- During the previous financial year, the Income from Hotel Business was shown as net of expenses under Revenue from operations in the Statement of Profit and loss.

Income from Hotel business has now been shown on Gross basis. The statement of profit and loss for the FY 2018-19 has been restated to explain the impact of the such reclassification and confirm with the requirements of Ind AS 8: Accounting Policies, Changes in Accounting Estimates and Errors. Also, additional balance sheet for the first day of Comparative period (i.e. for 1.4.2017) has been presented. Due to such restatement, the profit has not changed but the revenue from operations increased by Rs. 18.42 (Lakhs) and Total expenses increased by Rs. 18.42 (Lakhs).

26 Other income		
a) Interest income on financial assets carried at amortised cost		
i) From fixed deposits	2.35	2.39
ii) From loan and advances given	36.36	28.88
b) Liabilities/provision no longer required written back	6.85	-
c) Hire charges	-	0.90
d) Miscellaneous income	2,593.76	0.95
e) Profit on sale of investment in gold coin	-	-
f) Interest on Loans	1.01	-
Total other income	2,640.33	33.12

The company had reached a settlement with Alchemist Asset Reconstruction Company Ltd. In respect of loan taken over by them from State Bank of India. Subsequently, after full and final payment of the settled amount in this respect, the company has received a "No Dues" from them as it relates to the amount of debt of Rs. 2,926.43 Lakhs. Subsequently, the company has written back the amount to the tune of Rs. 2,556.43 Lakhs

27 Cost of materials consumed		
Raw materials consumed		
a) Opening stock	7.30	7.50
b) Add: Purchases	3.53	7.48
	10.83	14.98
c) Less: Closing stock	5.84	7.30
Total cost of materials consumed	4.99	7.68

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

	For the year ended 31.03.2019 in lakhs	For the Year ended 31.03.2018 in lakhs
28 Recoveries from unrecoverable work contracts		
a) Recoveries from unrecoverable work contracts	-	(34.83)
	<u>-</u>	<u>(34.83)</u>
29 Changes in inventories of work in progress		
Inventories at the beginning of the year		
a) Work-in-progress	41.04	41.04
	<u>41.04</u>	<u>41.04</u>
Inventories at the end of the year		
a) Work-in-progress	41.04	41.04
	<u>41.04</u>	<u>41.04</u>
Net (increase)/decrease in inventories	<u>-</u>	<u>-</u>
30 Employee benefits expense		
a) Salaries and wages, including bonus	32.86	37.41
b) Contribution to provident and other funds	0.20	0.16
c) Workmen and staff welfare expenses	0.53	0.27
d) Director's Remuneration	11.40	11.40
Total employee benefits expense	<u>44.99</u>	<u>49.24</u>
31 Finance costs		
a) Interest expense on borrowings carried at amortised cost	0.32	6.71
b) Notional interest on Security Deposits	-	-
Total finance costs	<u>0.32</u>	<u>6.71</u>
32 Depreciation expense		
a) Depreciation on Property, plant and equipment (Refer Note 05)	43.59	44.41
Total depreciation	<u>43.59</u>	<u>44.41</u>
33 Other expenses		
a) Consumption of stores, spare parts and loose tools	0.65	0.92
b) Repairs to buildings	1.81	2.56
c) Repairs to plant and machinery	0.01	-
d) Carriage and freight	-	-
e) Power and fuel	0.37	0.34
f) Rates, taxes and licenses	(10.49)	31.38
g) Electricity expenses	2.84	2.96
h) Insurance charges	0.04	0.14
i) Cultivation expenses	1.25	2.07
j) Selling and distribution expenses	0.92	0.99
k) Legal and professional fee	41.48	20.32
l) Travelling and conveyance expenses	3.03	2.49
m) Telephone expenses	1.57	0.71
n) Directors' sitting fees	1.18	1.36
o) Printing and stationery	1.97	2.74
p) Audit fees [Note 32.1]	1.42	1.41
q) Allowance for credit loss/provision for advances	-	-
r) Security deposit written off	0.52	-
s) Loss on sale of fixed assets	-	4.16
t) Rent	1.74	-
u) Sundry balances written off	13.53	-
v) Loss Allowance on Security Deposits	602.74	-
w) Commission to Managing Director	3.57	-
x) Other general expenses	179.44	16.13
Total other expenses	<u>849.59</u>	<u>90.68</u>
33.1 Audit fee includes payment to statutory auditor towards:		
i) Statutory audit fee	1.42	1.41

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

	For the year ended 31.03.2019 in lakhs	For the Year ended 31.03.2018 in lakhs
34 Income tax recognised in profit and loss		
Current tax		
In respect of the current year	17.64	2.34
In respect of prior years	0.01	0.01
	<u>17.65</u>	<u>2.35</u>
Deferred tax		
In respect of the current year	(608.43)	-
	<u>(608.43)</u>	<u>-</u>

The income tax expense for the year can be reconciled to the accounting profit (loss) as follows:

35 Earnings per share (in Rupees)		
Basic and diluted earnings per share		
The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows:		
Profit for the year / period attributable to parent	2,223.88	(103.87)
Weighted average number of equity shares for the purpose of basic earnings per share	3,46,30,630	3,46,30,630
Basic and diluted earnings per share	<u>6.42</u>	<u>(0.30)</u>

The company is not having any potential ordinary shares which are dilutive in nature. Hence diluted earnings per share is not calculated separately.

	As at 31.03.2019 in lakhs	As at 31.03.2018 in lakhs	As at 01.04.2017 in lakhs
36 Additional information to the Financial Statements			
36.01 Contingent Liabilities			
1 a) Performance guarantees issued by the banks to various Government Authorities, for which the company has provided counter guarantee against fixed deposit receipts have been pledged by the company.	NIL	NIL	38.01
b) Performance guarantees issued on behalf of other companies against which fixed deposit receipts have been pledged by the company.	NIL	NIL	NIL
c) Bank Interest Reversed	NIL	NIL	45.87
2 Claims not acknowledged as debts			
Income Tax Demand (Assessment Year 2007-08)	20.63	25.06	28.47
Income Tax Demand (Assessment Year 2009-10)	20.19	20.19	25.19
Income Tax Demand (Assessment Year 2010-11)	37.61	37.61	37.61
Income Tax Demand (Assessment Year 2011-12)	1.91	1.91	1.91
Income Tax Demand (Assessment Year 2012-13)	59.26	59.26	51.43
Income Tax Demand (Assessment Year 2013-14)	332.74	332.74	278.06
Income Tax Demand (Assessment Year 2014-15)	513.89	513.89	475.52
The Central Excise Act, 1944, Service Tax	896.85	896.85	896.85
The WBvat Act, 2003, VAT	NIL	21.00	21.00
The WBvat Act, 2003, VAT	NIL	817.10	817.10
The WBvat Act, 2003, VAT	NIL	6.60	6.60
The WBvat Act, 2003, VAT	NIL	0.35	0.35
The WBvat Act, 2003, VAT	69.48	NIL	NIL
	<u>1,952.55</u>	<u>2,732.55</u>	<u>2,640.08</u>

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

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

	As at 31.03.2019 ` in lakhs	As at 31.03.2018 ` in lakhs	As at 01.04.2017 ` in lakhs
36.02 Capital and other commitments			
a) Capital commitments			
Estimated value of contracts remaining to be executed on capital account	NIL	NIL	NIL

36.03 Contingent assets

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

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

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

37 Disclosures under Indian Accounting Standards	For the year ended 31.03.2019 Rs in lakhs	For the Year ended 31.03.2018 Rs in lakhs
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37.01 Employee Benefits

Defined Contribution plans

The Company has not transferred any amount towards long term defined benefit obligations as the management estimates that provision for retirement benefits is sufficient. Further the company has made contribution to following defined contribution plans:-

Provident and other funds	-	-
Total	-	-

Defined Benefit Plans

The Company provided the following employee benefits

Funded : Provident Fund

Non Funded: Gratuity

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

37.02 Details of the Gratuity Plan are as follows

Description	2018-19 ` in lakhs	2017-18 ` in lakhs
1. Reconciliation of opening and closing balances of obligation		
a. Obligation as at beginning of the year	8.46	8.46
b. Current service cost	-	-
c. Interest cost	-	-
d. Liabilities assumed from associate companies for transferred employees	-	-
e. Actuarial (gain)/loss	-	-
f. Benefits paid	-	-
g. Obligation as at end of the year	8.46	8.46
2. Change in fair value of plan assets		
a. Fair value of plan assets as at beginning of the year	-	-
b. Expected return on plan assets	-	-
c. Assets transferred from associate companies for transferred employees	-	-
d. Actuarial gain/(loss)	-	-
e. Contributions made by the company	-	-
f. Benefits paid	-	-
g. Fair value of plan assets as at end of the year	-	-
3. Reconciliation of fair value of plan assets and obligations		
a. Present value of obligation	8.46	8.46
b. Fair value of plan assets	-	-
c. Amount recognised in the balance sheet Asset/(Liability)	(8.46)	(8.46)
4. Expenses recognised during the year		
a. Current service cost	-	-
b. Interest cost	-	-
c. Expected return on plan assets	-	-
d. Actuarial (gain)/loss	-	-
e. Expenses recognised during the year	-	-
6. Assumptions	%	%
a. Discount rate (per annum)	-	-
b. Rate of escalation in salary	-	-

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

37.03 Segment Reporting

The Group's operating segments are established on the basis of those components of the Group that are evaluated regularly by the Executive Committee (the 'Chief Operating Decision Maker' as defined in Ind AS 108 - 'Operating Segments'), in deciding how to allocate resources and in assessing performance. These have been identified taking into account nature of products and services, the differing risks and returns and the internal business reporting systems.

The Group has two principal operating and reporting segments; viz. Construction & Hotel.

The accounting policies adopted for segment reporting are in line with the accounting policy of the group with following additional policies for segment reporting:-

- Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and Expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".
- An operating segment is classified as Reportable segment if reported revenue (including inter-segment revenue) or absolute amount of result or assets exceed 10% or more of the combined total of all the operating segments.
- Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

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

37.03 Segment Reporting (contd.)

- d) As per Indian Accounting Standard 108 - Operating Segments, the group has reported segment information on consolidated basis including businesses conducted through its subsidiaries.

	2018-19 ` in lakhs	2017-18 ` in lakhs
01 Segment Revenue		
a) Construction	-	11.12
b) Hotel	22.47	20.26
Total Revenue	22.47	31.38
02 Segment Results		
a) Construction	(925.52)	(126.08)
b) Hotel	4.83	0.28
Total	(920.69)	(125.80)
Less: Finance cost	0.32	6.71
Other unallocable (income)/expenditure	(2,640.33)	(33.12)
Profit before Tax	1,719.32	(99.39)
03 Capital Employed		
(Segment Assets-Segment Liabilities)		
a) Construction	4,680.85	2,462.08
b) Hotel	107.94	107.98
Total Capital Employed	4,788.79	2,570.06

38 Financial instruments

38.01 Capital management

The Company manages its capital to ensure that entities will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Capital structure of the Company consists of net debt (borrowings as detailed in note 21 offset by cash and bank balances) and the total equity of the Company.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, long term-term borrowings, short-term borrowings, less cash and short-term deposits.

	As at 31.03.2019 ` in lakhs	As at 31.03.2018 ` in lakhs	As at 01.04.2017 ` in lakhs
Gearing Ratio			
The gearing ratio at end of the reporting period was as follows			
Debt			
Long-term debt	-	-	-
Current borrowings	3,146.61	5,775.05	6,224.07
Net debt	3,146.61	5,775.05	6,224.07
Total equity	4,738.52	2,514.64	2,618.51
Equity share capital	3,463.06	3,463.06	3,463.06
Other equity	1,275.46	(948.42)	(844.55)
Net debt to equity ratio	0.66	2.30	2.38

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

38.02 Financial risk management objectives and policies

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

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

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

38.03 Market risk

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

38.04 Credit risk management

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

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

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

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

38.05 Liquidity risk management

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company has obtained fund and non-fund based working capital lines from various banks. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Liquidity and interest risk tables

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

		` in lakhs					
	Currency Non-Current	Carrying amount	Less than 1 month	1 - 3 months	3 months to 1 year	1 to 5 years	> 5 years
As at 31.03.2019							
Long term Borrowings	Current	3,146.61	-	-	3,146.61	-	-
Trade payables	Current	1,128.60	-	1,128.60	-	-	-
		4,275.22	-	1,128.60	3,146.61	-	-
As at 31.03.2018							
Long term Borrowings	Current	5,775.05	-	5,775.05	-	-	-
Trade payables	Current	1,252.67	-	1,252.67	-	-	-
		7,027.72	-	7,027.72	-	-	-
As at 01.04.2017							
Long term Borrowings	Current	6,224.07	-	6,224.07	-	-	-
Trade payables	Current	1,211.00	-	1,211.00	-	-	-
		7,435.07	-	7,435.07	-	-	-

* The "Borrowing- Current" comprises of loans from Indian Overseas Bank which have been called up and cases are pending before Debt Recovery Tribunal, hence classified under current liability.

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

	As at 31.03.2019 ` in lakhs	As at 31.03.2018 ` in lakhs	As at 01.04.2017 ` in lakhs
38.06 Financing facilities			
The following table details the Company's borrowing facilities that are available for future operating activities.			
Secured bank overdraft / working capital demand loan facility reviewed annually and payable at call			
- amount used	-	-	3,900.23
- amount unused	-	-	-
	<u>-</u>	<u>-</u>	<u>3,900.23</u>
Secured bill acceptance facility from bank reviewed annually and payable at call			
- amount used	-	-	-
- amount unused	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>

38.07 Fair value measurements

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

Financial assets and Liabilities

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

		As at March 31, 2019				
	Current/ Non Current	Fair Value through Other Profie or Loss	Fair Value thorough OCI	Amortised Cost	Total Carrying Value	Total Fair Value
Financial Assets:						
Investments in equity instruments	Non Current	-	1,237.15	-	1,237.15	1,237.15
Loans	Non Current	-	-	448.61	448.61	448.61
Trade receivables	Current	-	-	1,378.51	1,378.51	1,378.51
Cash and cash equivalent	Current	-	-	17.88	17.88	17.88
Other balances with Bank	Current	-	-	40.15	40.15	40.15
Loans	Current	-	-	990.63	990.63	990.63
Other financial assets	Current	-	-	3.26	3.26	3.26
Total		<u>-</u>	<u>1,237.15</u>	<u>2,879.04</u>	<u>4,116.19</u>	<u>4,116.19</u>
Financial Liabilities						
Borrowings	Current	-	-	3,146.61	3,146.61	3,146.61
Trade payables	Current	-	-	1,128.60	1,128.60	1,128.60
Other financial liabilities	Current	-	-	77.44	77.44	77.44
Total		<u>-</u>	<u>-</u>	<u>4,352.66</u>	<u>4,352.66</u>	<u>4,352.66</u>
		As at March 31, 2018				
Financial Assets:						
Investments in equity instruments	Non Current	-	1,234.71	-	1,234.71	1,234.71
Loans	Non Current	-	-	2,156.02	2,156.02	2,156.02
Trade receivables	Current	-	-	1,601.58	1,601.58	1,601.58
Cash and cash equivalent	Current	-	-	78.25	78.25	78.25
Other balances with Bank	Current	-	-	28.66	28.66	28.66
Loans	Current	-	-	12.10	12.10	12.10
Other financial assets	Current	-	-	2.72	2.72	2.72
Total		<u>-</u>	<u>1,234.71</u>	<u>3,879.33</u>	<u>5,114.04</u>	<u>5,114.04</u>
Financial Liabilities						
Borrowings	Current	-	-	5,775.05	5,775.05	5,775.05
Trade payables	Current	-	-	1,252.67	1,252.67	1,252.67
Other financial liabilities	Current	-	-	77.44	77.44	77.44
Total		<u>-</u>	<u>1,234.71</u>	<u>7,105.16</u>	<u>7,105.16</u>	<u>7,105.16</u>

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

		As at April 1, 2017					
		Current/ Non Current	Fair Value through Other Profit or Loss	Fair Value through OCI	Amortised Cost	Total Carrying Value	Total Fair Value
Financial Assets:							
Investments in equity instruments	Non Current	-	-	1,234.71	-	1,234.71	1,234.71
Loans	Non Current	-	-	-	2,020.75	2,020.75	2,020.75
Other financial assets	Non Current	-	-	-	16.00	-	-
Trade receivables	Current	-	-	-	2,275.31	2,275.31	2,275.31
Cash and cash equivalent	Current	-	-	-	12.08	12.08	12.08
Other balances with Bank	Current	-	-	-	24.88	24.88	24.88
Loans	Current	-	-	-	16.08	16.08	16.08
Other financial assets	Current	-	-	-	679.64	679.64	679.64
Total		-	-	1,234.71	5,044.74	6,263.45	6,263.45
Financial Liabilities							
Borrowings	Current	-	-	-	6,224.07	6,224.07	6,224.07
Trade payables	Current	-	-	-	1,211.00	1,211.00	1,211.00
Other financial liabilities	Current	-	-	-	77.44	77.44	77.44
Total		-	-	-	7,512.51	7,512.51	7,512.51

Fair Value hierarchy

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

- Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

in lakhs

		As at 31.03.2019			
		Level 1	Level 2	Level 3	Total
Financial assets:					
Other investments in equity instruments		-	-	1,237.15	1,237.15
		-	-	1,237.15	1,237.15
As at 31.03.2018					
		Level 1	Level 2	Level 3	Total
Financial assets:					
Other investments in equity instruments		-	-	1,234.71	1,234.71
		-	-	1,234.71	1,234.71
As at 01.04.2017					
		Level 1	Level 2	Level 3	Total
Financial assets:					
Other investments in equity instruments		-	-	1,234.71	1,234.71
		-	-	1,234.71	1,234.71

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

39 Related party transactions

List of related parties and relationship

Name of the related party	Nature of Relationship	Business	Incorporation details
KDC Nirman Ltd.	Subsidiaries	Real estate development	04.03.2008
Bengal KDC Housing Development Ltd.	Subsidiaries	Housing projects	28.06.2006
Kaushalya Energy (P) Ltd.	Subsidiaries	Generation and distribution of power	15.09.2008
Azur Solar KDC (P) Ltd.	Step Down Subsidiary	Generation and Distribution of Solar Power	19.05.2010
Kaushalya Nirman (P) Ltd.	Associates	Real estate development	05.09.2006
Orion Abasaan (P) Ltd.	Associates	Housing projects	05.09.2006
Kaushalya Township (P) Ltd.	Associates	Real estate development	05.09.2006
KIDCO NACC JV	Joint Venture	Construction of Small Hydro Power Project	01.07.2009
Mahesh Mehra	Whole Time Director of Holding Co.		
Prashant Mehra	Managing Director of Subsidiary		
Ramesh Kumar Mehra	Director of Subsidiary		
Asoke Das	Independent Director of Holding & Subsidiary Co.		
Anil Kumar Agarwal	Independent Director of Holding Co.		
Minoti Nath	Independent Director of Holding & Subsidiary Co.		
Ashok Kumar Roychoudhury	Independent Director of Subsidiary Co.		
Mousumi Guha Roy	Independent Director of Subsidiary Co.		
Tarak Nath Mishra	Chief Financial Officer of Holding Co.		
Sanjay Lal Gupta	Company Secretary of Holding Co.		
Puja Singh	Company Secretary of Subsidiary Co.		
Neeru Mehra	Spouse of Brother of Whole Time Director		
Kartik Mehra	Son of Whole Time Director		
Karan Mehra	Son of Whole Time Director		

Particulars	KMP & Close members of their family	Subsidiaries/ Associates/ JV	Total	Outstanding as on March 31, 2019	Outstanding as on March 31, 2018	Outstanding as on April 1, 2017
Remuneration /Commission paid to KMP						
Mahesh Mehra	11.40	-	11.40	-	-	-
Prashant Mehra	3.57	-	3.57	3.21	-	-
Ramesh Kumar Mehra	15.00	-	15.00	-	-	-
Kartik Mehra	1.20	-	1.20	-	-	-
Karan Mehra	4.80	-	4.80	-	-	-
Tarak Nath Mishra	5.28	-	5.28	0.44	-	-
Sanjay Lal Gupta	2.10	-	2.10	0.18	-	-
Puja Singh	2.10	-	2.10	0.18	-	-
Total	45.45	-	45.45	4.01	-	-
Previous Year						
Prashant Mehra	-	-	-	-	8.50	8.50
Mahesh Mehra	11.40	-	11.40	-	30.31	20.00
Ramesh Kumar Mehra	15.00	-	15.00	-	12.40	-
Kartik Mehra	4.80	-	4.80	-	12.28	7.50
Karan Mehra	4.80	-	4.80	-	14.13	9.34
Tarak Nath Mishra	4.92	-	4.92	-	0.44	1.50
Sanjay Lal Gupta	2.10	-	2.10	-	0.18	0.60
Puja Singh	2.10	-	2.10	-	0.18	-
Total	45.12	-	45.12	-	78.42	47.44

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

Particulars	KMP & Close members of their family	Subsidiaries/ Associates/ JV	Total	Outstanding as on March 31, 2019	Outstanding as on March 31, 2018	Outstanding as on April 1, 2017
Sitting Fee to directors						
Asoke Das	0.60	-	0.60	-	-	-
Anil Kumar Agarwal	0.30	-	0.30	-	-	-
Minoti Nath	0.64	-	0.64	-	-	-
Ashok Kumar Roychoudhury	0.14	-	0.14	-	-	-
Mousumi Guha Roy	-	-	-	-	-	-
Total	1.68	-	1.68	-	-	-
Previous Year						
Asoke Das	0.72	-	0.72	-	-	-
Anil Kumar Agarwal	0.34	-	0.34	-	-	-
Minoti Nath	0.72	-	0.72	-	-	-
Ashok Kumar Roychoudhury	0.16	-	0.16	-	-	-
Mousumi Guha Roy	0.15	-	0.15	-	-	-
Total	2.09	-	2.09	-	-	-
Rent Paid						
Neeru Mehra	6.00	-	6.00	-	-	-
Total	6.00	-	6.00	-	-	-
Previous Year						
Neeru Mehra	-	-	-	-	5.40	5.40
	-	-	-	-	5.40	5.40
Advance Taken						
Kidco NACC JV	-	-	-	93.39	-	-
Total	-	-	-	93.39	-	-
Previous Year						
Kidco NACC JV	-	-	-	-	93.39	93.39
	-	-	-	-	93.39	93.39

40 Approval of Financial Statements

The financial statements were approved for issue by the board of directors on May 30, 2019.

As per terms of our report attached.

For Monu Jain & Company

Firm Regn. No. 327900E

Chartered Accountants

Monu Jain

Partner

Membership No. 302721

Place : Kolkata

Date : 30th May, 2019

For and on behalf of the Board of Directors

Mahesh Mehra
Whole-time Director

Tarak Nath Mishra
CFO

Sanjay Lal Gupta
Company Secretary

Notes

[illegible]

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If undelivered Please Return to :
Kaushalya Infrastructure Development Corporation Ltd.
GIN : L51216WB1992PLC055629
HB 170, Sector III, Salt Lake
Kolkata - 700 106