

Date: 23rd September, 2016

The Listing Department,
BSE Ltd. (Designated Stock Exchange)
PJ Towers, Dalal Sheet
Mumbai- 400 001

The Listing Department
National Stock Exchange of India Ltd.
Exchange Plaza, Bandra Kurla Complex,
Bandra (E), Mumbai- 400 051

Dear Sir/ Madam,

Stock Code. BSE: 532925
NSE: KAUSHALYA

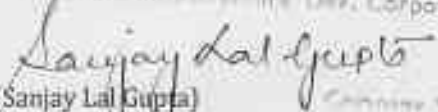
Sub: Annual Report for the financial year 2015-16

With reference to the above subject, please find enclosed Annual Report for the financial year 2015-16 as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations duly approved and adopted by the members as per the provisions of the Companies Act, 2013.

This is for your information and records.

Thanking You

Yours Faithfully,
For Kaushalya Infrastructure Development Corp. Ltd.

Kaushalya Infrastructure Development Corporation Ltd.

(Sanjay Lal Gupta)
Company Secretary

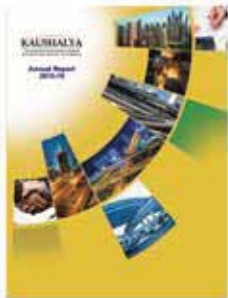
KAUSHALYA
INFRASTRUCTURE
Development Corporation Limited
BUILDING FOUNDATIONS FOR OUR TOMORROW

**Annual Report
2015-16**



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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

Mr. Parag Kehar Bhattacharjee

Independent Director

Mrs. MinotiNath

Independent Director

Mr. Anil Kumar Agarwal

Independent Director (w.e.f 04.05.2016)

Mr. Ramesh Kumar Mehra

Chairman (upto 29.09.2015)

Mr. Prashant Mehra

Managing Director (upto 23.12.2015)

Mr. Tarak Nath Mishra

Chief Financial Officer

Company Secretary & Compliance Officer

Mr. Sanjay Lal Gupta (w.e.f 10.05.2016)

Mr. Tarkeshwar Singh(upto 14.11.2015)

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

Bankers

State Bank of India

Indian Overseas Bank

Registered Office

CIN-L51216WB1992PLC055629

HB-170, Sector-III, Salt Lake

Kolkata-700 106

Tel-91-33-2334-4148

Fax-91-33-2334-4148

Webite-www.kaushalya.net

Email-info@kaushalya.net

Statutory Reports

Notice

Notice is hereby given that the Twenty Fourth (24th) Annual General Meeting (AGM) of the Members of **KAUSHALYA INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED** will be held on Thursday, the 22nd day of September 2016 at 11:00 A.M. at “Nandita Marriage House”, Shankar Abasan, Helabattala, Baguiati, Kolkata, 700059 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, 2016, including the Audited Balance Sheet as at 31st March, 2016, 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 appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:
“RESOLVED THAT M/s. Monu Jain & Co., Chartered Accountants, (Firm Registration No. 327900E) be and are hereby re-appointed as a Statutory Auditors of the Company pursuant to section 139 of the Companies Act, 2013 to hold the office from the conclusion of this Annual General Meeting till the conclusion of 27th (Twenty Seventh) Annual General Meeting of the Company (i.e. 3 Years) subject to ratification of the appointment by the members at every Annual General Meeting held after this Annual General Meeting at a remuneration to be decided by the Board of Directors in consultation with the Statutory Auditors of the Company”.

SPECIAL BUSINESS

4. Appointment of Mr. Anil Kumar Agarwal, as an Independent Director for a term of five years.

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

“RESOLVED THAT Mr. Anil Kumar Agarwal, (holding DIN: 06844213), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 4th May, 2016 under Section 161(1) of the Companies Act, 2013, read with Article 116 of the Articles of Association of the Company and who holds office up to the date of ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, to hold office for five consecutive years up to 4th May, 2021.”

5. Consideration and Determination of fees for delivery of any document through a particular mode of delivery to a member.

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

“RESOLVED THAT pursuant to provisions of Section 20 of the Companies Act, 2013 and other applicable provisions, if any, of the said Act and relevant rules prescribed thereunder, whereby a document may be served on any member by the Company by sending it to

Notice (contd.)

him by post or by registered post or by speed post or by courier or by delivery to his office address or by such electronic or other mode as may be prescribed, the consent of the Company be and is hereby accorded to charge from the member in advance equivalent to the estimated actual expenses of delivery of the documents pursuant to any request made by the shareholder for delivery of such document to him through a particular mode of services mentioned above provided such request along with the requisite fee has been duly received by the Company at least one week advance of the dispatch of the document by the Company and that no such request shall be entertained by the Company to post the dispatch of such document by the Company to the shareholder.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, Directors or Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the matter aforesaid and further to do all such acts, deeds and things as may be necessary, proper or desirable or expedient to give effect to the above resolution.”

6. Sale of land (substantially the whole of the undertaking) pursuant to Section 180 (1)(a) of the Companies Act, 2013.

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

“RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, and subject to other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification or re-enactment thereof for the time being in

force), the provisions of the Memorandum and Articles of Association of the Company and subject to the consent of the lending banker(s) and such other such other approvals, consents and permissions being obtained from the appropriate authorities to the extent applicable and necessary, the consent of the Members of the Company be and are hereby accorded to the Board of Directors of the Company (hereinafter referred as the “Board” which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute from time to time to exercise its powers including the power conferred by this resolution), to sell / transfer / dispose off its land situated at Hothi (B) Village & Grampanchayat, Zaheerabad Mandal, Medak District, forming part of 28.47 Acres (hereinafter referred to as Land), on a slump sale basis on an “as is where is” basis or in any other manner as the Board may deem fit in the interest of the Company at a fair value which will not be lower than 1.01 times the book value of the land being sold / disposed off and on such terms and conditions as may be deemed fit by the Board.

RESOLVED FURTHER THAT the Board be and is hereby authorised and empowered to finalise and execute necessary documents including but not limited to definitive Agreements, deeds of assignment / conveyance and other ancillary documents, with effect from such date and in such manner as is decided by the Board to do all such other acts, deeds, matters and things as they may deem necessary and/or expedient to give effect to the above resolution including without limitation, to settle any questions, difficulties or doubts that may arise in regard to sale, transfer and/or disposal off the land as they may in their absolute discretion deem fit.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred,

Notice (contd.)

to any Committee of Directors or any one or more Directors of the Company with power to delegate to any Officers of the Company, with authorities as required, affixing the Common Seal of the Company on agreements/documents, arranging delivery and execution of contracts, deeds, agreements and instruments and such other documents or papers as may be necessary in this regard.”

7. Disposal of undertaking under Section 180 (1) (a) of the Companies Act, 2013.

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

“RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, and subject to other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification or re-enactment thereof for the time being in force), the provisions of the Memorandum and Articles of Association of the Company and subject to the consent of the lending banker(s) and such other such other approvals, consents and permissions being obtained from the appropriate authorities to the extent applicable and necessary, the consent of the Members of the Company be and are hereby accorded to the Board of Directors of the Company (hereinafter referred as the “Board” which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute from time to time to exercise its powers including the power conferred by this resolution), to sell / transfer / dispose off “Kaushalya Heritage”, the Hotel including land, Building, Furniture-Fixtures & other assets at Garh Salboni, Jhargram, Paschim Mednipur, West Bengal, (hereinafter referred to as Undertaking), on a slump sale basis on an “as is where is” basis or in any other manner as the Board may deem fit

in the interest of the Company at a fair value which will not be lower than 1.01 times the book value of the land being sold / disposed off and on such terms and conditions as may be deemed fit by the Board.

RESOLVED FURTHER THAT the Board be and is hereby authorised and empowered to finalise and execute necessary documents including but not limited to definitive Agreements, deeds of assignment / conveyance and other ancillary documents, with effect from such date and in such manner as is decided by the Board to do all such other acts, deeds, matters and things as they may deem necessary and/or expedient to give effect to the above resolution including without limitation, to settle any questions, difficulties or doubts that may arise in regard to sale, transfer and/or disposal off the land as they may in their absolute discretion deem fit.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Committee of Directors or any one or more Directors of the Company with power to delegate to any Officers of the Company, with authorities as required, affixing the Common Seal of the Company on agreements/documents, arranging delivery and execution of contracts, deeds, agreements and instruments and such other documents or papers as may be necessary in this regard.”

By Order of the Board
Kaushalya Infrastructure Development
Corporation Ltd

Sanjay Lal Gupta
Company Secretary

Dated: August 8, 2016
Registered Office:
HB-170, Sector III, Salt Lake
Kolkata-700106
CIN-L51216WB1992PLC055629
Ph-033-23344148
Email-info@kaushalya.net

Notice (contd.)

Notes

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

A person can act, as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.

2. The Register of Members and Share Transfer Books of the Company will remain closed from 16th September, 2016 to 22nd September, 2016 (both days inclusive).
3. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in relation to the Special Business is annexed hereto and forms part of this Notice.
4. Members who hold shares in dematerialized form are requested to bring their Demat Statement mentioning therein the Client ID and DPID numbers along with a photo Identity Card for easy identification of attendance at the meeting.
5. Corporate members are requested to send a duly certified copy of the Board Resolution under section 113 of Companies Act, 2013, authorizing their representative to attend and vote at the AGM.
6. Shareholders holding shares in physical form are requested to advise the company and the members holding shares in dematerialized form are requested to advise their Depository Participants immediately about any change in their address.
7. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form can be downloaded from the Company's website: www.kaushalya.net under the section 'Other' of section 'Investor Relationship'.
8. Electronic copy of the Notice of the 24th Annual General Meeting along with the Annual Report 2015- 16 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 24th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
9. Members may also note that the Notice of 24th Annual General Meeting and the Annual Report 2015-16 will also be available on company's website: www.kaushalya.net under the section 'Financials' for download.
10. The members who have not yet registered their e-mail address are requested to do so to support the green initiative in the Corporate Governance.

Notice (contd.)

11. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours on all working days except Saturdays.
12. Members holding shares in physical mode are requested to provide their email id, CIN/ Regn. No. (for corporate members), Unique Identification No., PAN, in case member is minor than date of birth of minor and name of guardian, declaration regarding beneficial ownership (if any), nomination details, lien details (if any), particulars of dividend mandate etc. and such other information as mentioned under section 88 (1)(a) of the Companies Act, 2013 and rule 3(1) of the Companies (Management and Administration) Rules, 2014 for receiving all communications/ documents electronically. Members holding in demat mode are requested to provide the above information to their depository participant.
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/RTA for registration of transmission/ transposition, deletion of name etc.
14. The Directors seeking appointment have furnished the requisite declarations.
15. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
16. In terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of SEBI (Listing Obligation 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).
17. Voting rights will be reckoned on the paid-up value of shares registered in the name of the Members as on 15th September, 2016 (cut-off date). Only those members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date will be entitled to cast their votes by remote e-voting or ballot voting at the AGM.
18. The facility for voting through ballot paper will also be made available at the AGM and the members attending the AGM who have not casted their vote through remote e-voting shall be able to exercise their right at the AGM through ballot paper. The members who have already cast their vote through remote e-voting can attend AGM but shall not be entitled to cast their votes again.
19. E-voting Process:
 - I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and 44 of SEBI (Listing Obligation and

Notice (contd.)

- Disclosure Requirements) Regulations, 2015 the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (“remote e-voting”) will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have casted their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on 19th September, 2016 (9:00 am) and ends on 21st September, 2016 (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 15th September, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:
- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/ Depository Participants(s)]:
- (i) Open email and open PDF file viz; “Kaushalya Infrastructure Development remote e-voting. pdf” with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder - Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select “EVEN” of “Kaushalya Infrastructure Development Corporation Limited”.
 - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on

Notice (contd.)

- “Submit” and also “Confirm” when prompted.
- (x) Upon confirmation, the message “Vote cast successfully” will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to csmdshah@gmail.com with a copy marked to evoting@nsdl.co.in and info@kaushalya.net.
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/ Depository Participants(s) or requesting physical copy] :
- (i) Initial password is provided as below /at the bottom of the Attendance slip for the AGM
- EVEN (Remote e-voting
Event Number)_____ User
ID_____ Password_____
- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) mentioned in A above, to cast vote.
- for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 15th September, 2016.
- X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 15th September, 2016, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or RTA at rta@cbmsl.com mentioning his/her Folio No. or DP ID.& Client ID.
- However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
- XI. A member may participate in the AGM even after exercising his right to vote
- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs)

Other Instruction

Notice (contd.)

through remote e-voting but shall not be allowed to vote again at the AGM.

XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

XIII. Mr. Mohammed Shahnawaz, a Practicing Company Secretary (Membership No. 21427, C.P No. 15076) who had consented to act as the Scrutiniser, was appointed by the Company as the Scrutiniser to scrutinise the voting process (electronically or otherwise) for the 24th Annual General Meeting of the Company in a fair and transparent manner and submit a consolidated Scrutiniser's report of the total votes cast to the Chairman or a person authorised by him in writing.

XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizier, by use of "Ballot Paper" for all those members

who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

XV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizier's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

XVI. The Results declared along with the report of the Scrutinizer shall be placed on the website of Company www.kaushalya.net and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to stock exchange where Company's shares are listed

Notice (contd.)

EXPLANATORY STATEMENT

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

Item No. 4

Mr. Anil Kumar Agarwal (holding DIN: 06844213) was appointed as an Additional Director in the capacity of Non-Executive Independent Director with effect from 4th May, 2016 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 re-appointment as Independent Director for five consecutive years up to 4th May, 2021. The Company has received notice under Section 160 of the Companies Act, 2013 proposing his appointment as an Independent Director of the Company. Mr. Anil Kumar Agarwal 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. Anil Kumar Agarwal and his brief resume are given in the Annexure attached to the Notice. Keeping in view his experience and expertise, the Board of Directors recommends the proposed Ordinary Resolution for approval of the members.

Except Mr. Anil Kumar Agarwal, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out in Item No.4.

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

Item No. 5

As per the provisions of Section 20 of the Companies Act, 2013, a document may be served on any member by sending it to him by post or by registered post or by speed post or by courier or by delivery at his office or address or by such electronic or other mode as may be prescribed. Further a member may request for delivery of any document through a particular mode, for which he shall pay such fees in advance as may be determined in its Annual General Meeting.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out in Item No.5.

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

Item No. 6

Members of the Company are requested to note that Section 180 (1)(a) of the Companies Act, 2013 mandates that the Board of Directors of a company shall exercise the power to sell, lease or otherwise dispose of the whole or substantially the whole of any undertaking(s) of the company, only with the approval of the members of the Company by way of a special resolution.

Explanation (i) to Section 180(1)(a) of the Companies Act, 2013 states that the meaning

Notice (contd.)

of an 'undertaking' for the purposes of Section 180(1) of the Companies Act, 2013 is an undertaking in which the investment of the company exceeds twenty percent of its net worth as per the audited balance sheet of the preceding financial year or an undertaking which generates twenty percent of the total income of the company during the previous financial year. Explanation (ii) to Section 180(1)(a) of the Companies Act, 2013 states that the meaning of 'substantially the whole of the undertaking' for the purposes of Section 180(1) is in any financial year, twenty percent or more of the value of the undertaking as per the audited balance sheet of the preceding financial year.

Accordingly, pursuant to Section 180(1)(a) of the Companies Act, 2013, members of the Company are requested to note that their consent to the Board is being sought by way of a Special Resolution to sell / transfer / dispose off the land situated at situated at Hothi (B) Village & Grampanchayt, Zaheerabad Mandal, Medak District at a fair value which will not be lower than 1.01 times the book value of the land.

Members of the Company are further informed that the net proceeds from the sale of the land will be utilized by the Company for repayment of bank loan/borrowings/ enhancement of working capital of the Company or general business purpose.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out in Item No.6.

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

Item No. 7

Members of the Company are requested to note that Section 180 (1)(a) of the Companies Act, 2013 mandates that the Board of Directors of a company shall exercise the power to sell, lease or otherwise dispose of the whole or substantially the whole of any undertaking(s) of the company, only with the approval of the members of the Company by way of a special resolution.

Explanation (i) to Section 180(1)(a) of the Companies Act, 2013 states that the meaning of an 'undertaking' for the purposes of Section 180(1) of the Companies Act, 2013 is an undertaking in which the investment of the company exceeds twenty percent of its net worth as per the audited balance sheet of the preceding financial year or an undertaking which generates twenty percent of the total income of the company during the previous financial year. Explanation (ii) to Section 180(1)(a) of the Companies Act, 2013 states that the meaning of 'substantially the whole of the undertaking' for the purposes of Section 180(1) is in any financial year, twenty percent or more of the value of the undertaking as per the audited balance sheet of the preceding financial year.

Accordingly, pursuant to Section 180(1) (a) of the Companies Act, 2013, members of the Company are requested to note that their consent to the Board is being sought by way of a Special Resolution to sell / transfer / dispose off "Kaushalya Heritage" the Hotel (hereinafter called "The Undertaking") including land, Building, Furniture & other assets at Garh Salboni, Jhargram, Paschim Mednipur, West Bengal, at a fair value which will not be lower than 1.01 times the book value of the land.

Members of the Company are further informed that the net proceeds from the sale of the land

Notice (contd.)

will be utilized by the Company for repayment of bank loan/borrowings/enhancement of working capital of the Company or general business purpose.

None of the Directors and Key Managerial

Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out in Item No.7.

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

Route Map to the venue of the 24th AGM of Kaushalya Infrastructure Development Corporation Limited



Notice (contd.)

Details of Directors seeking appointment / reappointment at the Annual General Meeting as per Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Particulars	Mr. Anil Kumar Agarwal
Date of Birth	September 17, 1975
Date of Appointment	May 4, 2016
Educational Qualification	Bachelor of Commerce
Expertise in specific functional areas	Expertise in Secretarial, Legal, Finance and operation of diverse nature of business.
Directorship in other Companies as on March 31, 2016	NA
Membership/Chairmanship in other Public Companies (only in Audit and Shareholders/ Investor Grievance Committee) as on March 31, 2016	NA
Number of shares held as on March 31, 2016	NA
Inter se relation between Directors'	Not Related

Directors' Report

Dear Shareholders,

The Directors are pleased to present the 24th Annual Report and the Audited Accounts for the financial year ended March 31, 2016.

Financial Performance

The Financial performance of your Company, for the year ended March 31, 2016 is summarized below:-

(₹ In Lacs)

	Standalone				Consolidated			
		31.03.16		31.03.15		31.03.16		31.03.15
Contract Revenue & Other Income		177.39		694.88		187.50		700.14
Profit before Depreciation, Interest & Tax		(5439.47)		1.35		(5437.12)		4.24
Less : Depreciation	44.23		88.72		46.63		91.11	
Interest	(3.43)	40.80	657.50	746.22	(3.35)	43.27	658.87	749.98
Profit before Tax		(5480.27)		(744.87)		(5480.40)		745.74
Less : Provision for Tax								
Current Tax	-		-		-		-	
Deferred Tax	4.82		(17.01)		4.82		(17.01)	
Prior Years Tax	-		-		0.02		-	
Income Tax for Earlier Year		(4.82)		(17.01)		(4.80)		(17.01)
Net Profit/(Loss) After Tax		(5475.45)		(727.86)		(5475.60)		(728.73)
Less : Minority Interest		-		-		0.03		0.07
Add: Share of Profit of Associate		-		-		0.08		0.03
Net Profit After Minority Interest		-		-		(5475.55)		(728.78)
Balance b/f from previous year		(234.34)		493.52		(253.50)		475.27
Balance available for appropriations		(234.34)		493.52		(253.50)		475.27
APPROPRIATIONS								
Transfer to General Reserve		-						
Balance Carried to Balance Sheet		(5709.78)		(234.34)		(5729.05)		(253.50)

State of Affair & Operations Review

During the year under review on a Standalone basis your Company has registered total income from operation of ₹ 177.39 Lacs as against ₹ 694.88 Lacs in the previous year. Reduction in top line was due to delay in decisions from various clients for tenders submitted by Company and lower success rates in bids for infrastructure projects made in a significantly reduction in overall realization of Company. The profit before Depreciation, interest and tax for the year stood to ₹ Lacs (5439.47) as compared to ₹ 1.35 Lacs in previous year. The PAT was ₹ (5475.45) Lacs against the financial year PAT (727.86) a 652.27% increase over last year. The loss figure occurred during current period is mainly due to write off various debtors and depreciation figure as the company has reassessed the useful life of all the tangible fixed assets based on useful life as provided in the schedule II of Companies Act, 2013, Depreciation has been provided considering the remaining useful life of the assets and necessary effect has been given in the accounts.

On Consolidated basis, during the year under review the Total Income of your Company stood to ₹ 187.50 Lacs as against Rs 700.14 Lacs in the previous year. The EBIDT is ₹ (5437.12) Lacs from ₹ 4.24 Lacs in the previous year.

Directors' Report (contd.)

Dividend

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

Change in Nature of Business, If Any

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

Material Changes and Commitments after the Balance Sheet Date

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

Subsidiary Companies & Associate Companies

As on 31st March 2016, the Company's subsidiaries, step down subsidiaries, associates and joint venture are as follows:

Its subsidiaries/step-subsidiaries

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

Its associate

1. Orion Abasaan Private Ltd
2. Kaushalya Nirman Private Ltd
3. Kaushalya Township Pvt Ltd

Its joint venture

1. Kidco-Nacc

Earlier Bengal KDC Housing Development Ltd held 34,000 (5.22%) in Kaushalya Township Private Ltd, hence Kaushalya Township Private Ltd was step down subsidiary of your Company. On 1st July, 2015, Bengal KDC Housing Development Ltd has transferred 33,842 no. of Shares by way of sale to M/s Muilibuilt Properties Pvt Ltd. Hence, with effect from 1st July, 2015, Kaushalya Township Private Ltd is an associate of your Company.

The Board of Directors and shareholders of Kaushalya Township Private Limited, Kaushalya Nirman Private Limited, Orion Abasaan Private Limited and Bengal KDC Housing Development Limited, respectively, have approved the conversion of advances aggregating to ₹ 47,44,08,700/- into loan carrying an option to convert the same into Equity / Preference shares of these companies to be issued in accordance with the provisions of the Companies Act, 2013. As on date, the said amount is standing in the books of the Company as loan carrying an option to convert the same into Equity / Preference shares of these companies.

Accordingly, the Board of Directors of the Company have approved conversion of loan given to Kaushalya Township Private Limited, Kaushalya Nirman Private Limited and Orion Abasaan Private Limited aggregating to ₹ 35,96,75,870/- into Compulsorily Convertible Non-cumulative Preference Shares (CCPS) and the loan given to Bengal KDC Housing Development Limited aggregating to ₹ 10,97,32,830/- into Non-cumulative Redeemable Preference Shares (NCRPS) of Bengal KDC Housing Development Limited on January 27, 2016. The CCPS / NCRPS, as the case may be, will

Directors' Report (contd.)

be issued by the said companies at a price as may be decided and in accordance with the provisions of the Companies Act, 2013.

Pursuant to Section 106 of the Companies Act, 1956, the consent of the Board of Directors of the Company be and is accorded by a resolution passed by way of circulation on March 1, 2016 to modify the terms of 10% Compulsorily Convertible Non-cumulative Preference Shares of Kaushalya Nirman Private Limited, Kaushalya Township Pvt Ltd and Orion Abasaan Pvt Ltd, held by the Company, to make it Redeemable Preference Shares from Compulsorily Convertible Preference Shares and that the said Preference Shares will be 10% Redeemable Non-cumulative Preference Shares redeemable at a price not less than the price at which it was issued, i.e. ₹ 58.00, ₹ 57.00 and ₹ 55.00 per Preference Shares respectively, at the option of the Preference Shareholder at any time after 15 years from the date of allotment of Preference Shareholder but not later than 17 years from the date of allotment and that the other terms of the issue shall remain unchanged.”

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

Consolidated financial statements

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

Listing of equity shares

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

Change in Share Capital

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

During the year under review, your Company's paid up equity share capital remain unchanged 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

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

Director

Mr. Mahesh Mehra, Director is liable to retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible is liable to be re-appointed as Director of the Company.

Mr. Anil Kumar Agarwal was appointed as an Additional Director of the Company in the category of

Directors' Report (contd.)

Independent Director by the Board in its meeting held on 4th May, 2016. He shall hold office up to the date of ensuing Annual General Meeting of the Company and will be eligible for re-appointment as Independent Director. The Company has received a notice from a member pursuant to Section 160 of the Companies Act, 2013 stating intent to propose him for the office of Independent Director under Section 149 of the Companies Act, 2013.

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

During the year Mr. Ramesh Kumar Mehra, Director liable to retire by rotation at the 23rd Annual General Meeting of the Company, has resigned from the Company and his vacancy is not filed up.

The Board places on record its appreciation for the assistance and guidance provided by Mr. Ramesh Kumar Mehra during his tenure as Director of the Company.

During the year Mr. Prashant Mehra resigned and ceased to be Managing Director of the Company w.e.f. 23rd December, 2015 due to personal reason.

The Board places on record its appreciation for the assistance and guidance provided by Mr. Prashant Mehra during his tenure as Managing Director of the Company.

During the year Mr. Rajesh Kumar Agarwal resigned and ceased to be Independent Director of the Company w.e.f. 18th November, 2015 due to personal reason.

The Board places on record its appreciation for the assistance and guidance provided by Mr. Rajesh Kumar Agarwal during his tenure as an Independent Director of the Company.

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

The members in the last AGM approved appointment of Mrs. Minoti Nath as an Independent Directors.

Key Managerial Personnel

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

- (a) Mr. Mahesh Mehra, Whole-time Director. (Mr. Prashant Mehra, Managing Director of the Company has resigned from the Company w.e.f 23rd December, 2015)
- (b) Mr. T.N Mishra, Chief Financial Officer
- (c) Mr. Sanjay Lal Gupta, Company Secretary. (Appointed w.e.f 10th May, 2016)

During the year Mr. Tarkeshwar Singh, Company Secretary & Compliance Officer of the Company has resigned and ceased to be Company Secretary & Compliance Officer of the Company w.e.f. 14th November, 2015 due to his personal reason.

The Board places on record its appreciation for the assistance and guidance provided by Mr. Tarkeshwar Singh during his tenure as Company Secretary & Compliance Officer of the Company.

During the year Mr. Sanjay Lal Gupta was appointed as a Company Secretary & Compliance Officer of the Company by the Board in its meeting held on 10th May, 2016.

Loan/Advances

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

Directors' Report (contd.)

Directors' Responsibility Statement

The Board of Directors of your Company acknowledges the responsibility for ensuring compliance with the provisions of Section 134(3) (c) read with Section 134(5) of the Companies Act, 2013 and 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, 2016 and state that :

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

Particulars of employees

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

Fixed deposits

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

Number of meetings of the Board

The Board met 7(Seven) times during the financial year, the details are given in the Corporate Governance Report that forms part of the Annual Report.

Audit Committee

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

Whistleblower Policy

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

Directors' Report (contd.)

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.

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 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

Borrowing Power

At the Annual General Meeting held in the year 2015, consent of the Company be and is hereby accorded under Section 180(1)(a) and other applicable provisions if any, of the Companies Act, 2013 to the Board of Directors of the Company to mortgage, hypothecate or in any other way of charge in favour of the lenders all or any of the movable and/or immovable properties of the Company, both present and/or future of the whole or substantially the whole of the undertaking or undertakings of the Company for availment of any loan or guarantee or issue of Debenture and to secure the payment of interest thereon or any fees charges or expenses relating thereto and in the case of borrowing against debenture holders the said security in the favour of lender and/or trustee for such debenture holder where required on such terms and conditions as may be approved by the Board of Directors.

Inter-corporate loans, guarantees and investments

The shareholders of Kaushalya Infrastructure Development Corporation Ltd. (the "Company") have approved giving of loans or guarantees or providing of securities in connection with the loan made to any other body corporate(s) or person(s) or making of investments in excess of the limit specified under Section 186 of the Companies Act, 2013 by passing resolution through Postal Ballot on the 18th January, 2016.

Pursuant to the provisions of Section 186 of the Companies Act, 2013 (the "Act") read with the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions, if any, of the Act and the Rules framed thereunder, as amended from time to time, the consent of the members

Directors' Report (contd.)

of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter called 'the Board' which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the power conferred by this resolution) to give any loans / any other form of debt to any person or other body corporate and / or to give guarantee and / or to provide security in connection with a loan / any other form of debt to any other body corporate or person and to make investment or acquire by way of subscription, purchase or otherwise the securities of any other body corporate whether Indian or overseas up to maximum amount of Rs.200 Crores (Rupees Two Hundred Crores only) outstanding at any point of time notwithstanding that the aggregate amount of all the loans / guarantees / securities / investments so far made together with the proposed loans / guarantees / securities / investments to be made, exceeds the prescribed limits under the Companies Act, 2013.

Related party transactions

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

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

Extract of annual return

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

Significant and material orders passed by the regulator/court

There are no significant materials orders passed by the regulator/court which would impact the going concern status of the Company and its future operations.

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

Directors' Report (contd.)

contained elsewhere in this Annual Report.

Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Company has appointed M/S. S K Kabra & Associates, Company Secretaries in Practice, to undertake the secretarial audit of the Company for the financial year 2015-16. The Secretarial Audit Report for the financial year ended 31st March, 2016 is attached as Annexure 'VI' and forms a part of the reports of the Directors. The observation made by the secretarial auditors in their report are self-explanatory and therefore do not call for any further explanations/comments.

Auditors & Auditor's Report

Based on the recommendations by the Audit Committee, the Board of Directors of the Company recommends the ratification of appointment of M/s Sumanta & Co., Chartered Accountants, (ICAI Firm Registration No. 322554E) as Statutory Auditors of the Company by the shareholders at the Annual General Meeting held in the year 2015.

At the Annual General Meeting held in the year 2015, the appointment of M/s Sumanta & Co., Chartered Accountants, (ICAI Firm Registration No. 322554E) as Auditors of the Company to hold office until the conclusion of Twenty Fifth Annual General Meeting of the Company be and is hereby ratified on such remuneration as may be determined by the Board of Directors of the Company.

M/s. Sumanta & Co., Chartered Accountants, have tendered their resignation w.e.f 14th December, 2015 as Statutory Auditors primarily due to their professional occupancy and they have expressed that they will not be able to continue as statutory auditors, which has resulted into a casual vacancy in the office of Statutory Auditors of the Company as envisaged by section 139(8) of the Companies Act, 2013 ("Act").

The shareholders of Kaushalya Infrastructure Development Corporation Ltd. (the "Company") have approved the Appointment of Statutory Auditors M/s. Monu Jain & Company, Chartered Accountants, Kolkata (ICAI Firms Regn. No. 327900E) arising out of Casual Vacancy by passing resolutions through Postal Ballot on the 18th January, 2016.

Pursuant to the provisions of Section 139(8) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s. Monu Jain & Company, Chartered Accountants, Kolkata (ICAI Firms Regn. No. 327900E), be and are hereby appointed as Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s. Sumanta & Co., Chartered Accountants, Kolkata, for the financial year 2015-16.

M/s. Monu Jain & Company, Chartered Accountants, Kolkata, be and are hereby appointed as Statutory Auditors of the Company and that they shall hold the office as Statutory Auditors of the Company until the conclusion of the ensuing Annual General Meeting on such remuneration as may be fixed by the Board of Directors in consultation with the auditors and that they shall conduct the Statutory Audit for the financial year ended March 31, 2016.

Cost auditors

The cost audit u/s 148 of Companies Act, 2013 read with its rule is not applicable for your Company for the financial year ended 31st March, 2016.

CSR Committee

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

Restructuring of Debts

The bankers of the company, State Bank of India and Indian Overseas Bank had decided to call up

Directors' Report (contd.)

the loan earlier classified by them as non performing. Accordingly they had issued notices under section 13(2) of the SARFAESI act. The company had replied to the same in detail and the matters are currently in litigation. Simultaneously the company is discussing with the bankers for amicable settlement of dues in an effort to resolve the matter.

Other Information

The Audit Committee of your company has reviewed the audited financial statements for the year under review at its meeting held on May 23, 2016 and recommended the same for the approval of the Board of Directors.

Sexual Harassment Policy

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

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

Significant and Material Orders Passed By the Regulators / Courts / Tribunals

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

Annexures forming a part of this Report of the Directors

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

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

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

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

Appreciation

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

Kolkata

Dated: 8th August, 2016

Registered office:

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

CIN-L51216WB1992PLC055629

For and on behalf of the Board

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

(Amt. in ₹)

Sl. No	1	2	3	4
Name of the subsidiary	Bengal KDC Housing Dev Ltd (BKHDL)	Bengal Kaushalya Nirman Ltd (BKNL)	Kaushalya Energy Pvt Ltd (KEPL)	Azur Solar KDC Pvt Ltd (Subsidiary of KEPL)
Reporting period	31st March, 2016	31st March, 2016	31st March, 2016	31st March, 2016
Reporting currency and Exchange rate	INR	INR	INR	INR
Share capital	111,732,830	2,000,000	1,000,000	100,000
Reserves & surplus	(986,234)	(320,623)	(819,484)	(33,731)
Total assets	113,986,801	1,744,760	242,216	1,574,999
Total Liabilities	113,986,801	1,744,760	242,216	1,574,999
Investments	34,800	-	99,000	-
Turnover	96,349	18,000	15,000	15,000
Profit before taxation	2,715	4,359	709	1,730
Provision for taxation	-	1,291	276	725
Profit after taxation	2,715	3,068	433	1,005
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:

1. Names of subsidiaries which are yet to commence operations:
 - a. Azur Solar KDC Private Ltd,
 - b. Bengal Kaushalya Nirman Ltd,
 - c. Kaushalya Energy Private Ltd
2. Names of subsidiaries which have been liquidated or sold during the year: NONE
3. The Reporting date of all subsidiaries is same as that of the Company, that is, 31st March 2016.
4. 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

Proprietor

Membership No.302721

Date: May 23, 2016

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

(Amt. in ₹)

Name of Associates /Joint Ventures	Orion Abasaan Pvt Ltd (OAPL)	Kaushalya Nirman Pvt Ltd (KNPL)	Kaushalya Township Pvt Ltd (KTPL)	Kidco Nacc
1. Latest audited Balance Sheet Date	31st March, 2016	31st March, 2016	31st March, 2016	31st March, 2016
2. Shares of Associate/Joint Ventures held by the company on the year end				
-No.	29,000	46,000	317,533	NA
- Amount of Investment in Associates/ Joint Venture (Amount in Rs)	1,090,000	1,940,000	15,516,650	(9,338,712)
-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	1,598,581	2,696,782	18,033,495	NA
6. Profit / Loss for the year				
i. Considered in Consolidation	4,465	2,688	944	(22,484)
i. Not Considered in Consolidation	4,772	3,156	944	(2,498)

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

Proprietor

Membership No.302721

Date: May 23, 2016

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

Details pertaining to remuneration

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

- (i) The Percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial year 2015-16, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16 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 2015-16 (₹)	% Increase in remuneration in the financial year 2015-16	Ratio of remuneration of each Director/ to median remuneration of employees	Comparison of the remuneration of the KMP against the performance of the Company
1	Prashant Mehra (Managing Director)	1311270	NIL	NA	Resigned from the Company w.e.f 23.12.2016
2	Mahesh Mehra (Whole-time Director)	1140000	NIL	NA	Not comparable since Company was in Loss
3	Tarak Nath Misha (Chief Financial Officer)	480000	12.55%	NA	Not comparable since Company was in Loss
4	Tarkeshwer Singh (Company Secretary)	227333	19.75%	NA	Resigned from the Company w.e.f 14.11.2015
5	Sanjay Lal Gupta (Company Secretary)	NA	NA	NA	Appointed w.e.f 10.05.2016

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

- (ii) The median remuneration of employees of the Company during the financial year was not applicable since, most of the employee left the company during the year.
- (iii) In the financial year, there was no increase in the median remuneration of employees;
- (iv) There were 5 permanent employees on the rolls of the Company as on March 31, 2016;
- (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 2015-16 Company was in loss and hence not comparable;
- (vii) (a) Variation in market capitalization of the Company: The market capitalization as on March 31, 2016 was ₹ 12.47 crore and ₹ 24.59 crore as on March 31, 2015;
- (b) Price Earnings ratio of the Company was (12.77) as at March 31, 2016 and was (3.70) as at March 31, 2015;
- (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 (+94)%.
- (viii) Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2015-16 was nil whereas the percentile increase in the managerial remuneration for the same financial year was 10.76%; Average percentile increase in the salaries of employees other than managerial personnel was nil since some of the high paid non managerial employees left the company early during the current year.
- (ix) Comparison of the each remuneration of the key managerial person against the performance of the company: Not comparable since the company was in loss during the current year.
- (x) The key parameter for any variable components of remuneration availed by directors: Not Applicable
- (xi) The ratio of the remuneration of the highest paid directors to that of the employees who are not directors but received remuneration in excess of highest paid directors during the year: Not Applicable
- (xii) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees

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

Annexure to Directors' Report (contd.)

Annexure III to the Directors' report

Criteria for selection of Directors and persons in Senior Management

A. Introduction

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

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

The Board of Directors should be composed of individuals who have demonstrated significant achievements in business, education, the professions and/or public service. They should have requisite intelligence, education and experience to make a significant contribution to the deliberations of the Board of Directors in light of the Company's business. In addition, the membership of the Board of Directors should bring a broad range of experiences to the Board. The Nomination and Remuneration Committee will review, annually, the appropriate skills and characteristics of Board members in the context of the current structure of the Board. This assessment should include issues of diversity, age, business, qualifications, ethics & integrity, willingness to participate in Board matters and other criteria that the Committee and Board find to be relevant at that point of time. A variety and balance of skills, background and experience is desirable. The composition of the Board shall meet the conditions prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The proposed appointee shall possess the director identification number and meet the criteria as laid down in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Attributes

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

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

Annexure to Directors' Report (contd.)

- **Compliance** - The Candidate should meet the compliance requirements prescribed under the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other Rules & Regulations or standards set out by the Company.

Predominance of Independent Directors Independence promotes integrity, accountability and governance. The Board of Directors shall comprise of requisite number of independent directors as prescribed under the law. Not less than requisite number of directors shall consist of independent directors who meet the criteria for independence as required under the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other prescribed Rules & Regulations applicable to the Company. Besides, the Board will consider all relevant facts and circumstances in making a determination of independence.

- **Selection and Orientation of New Directors**

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

- **Assessing Performance of Board and Committees**

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

C. Selection of Key Managerial Personnel (KMP)

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

D. Review

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

Kolkata

Dated: 8th August, 2016

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. AOC-2

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

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

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

There were no contracts or arrangements or transactions entered into during the year ended 31st March 2016, which were not at arm's length basis.

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

There were no material contracts or arrangements or transactions entered into during the year ended 31st March 2016.

Note: The definition of material is as per explanation given in Regulation 23(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Kolkata
Dated: 8th August, 2016
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. MGT 9

Extract of Annual Return

As on the financial year ended on March 31, 2016

[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 Private Limited. B-22 Bondel Road, Kolkata- 700019 Email-rta@cbml.com, Website-www.cbml.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

Sl. No.	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	KAUSHALYA TOWNSHIP PRIVATE LIMITED, 171/1A Rash Behari Avenue, Kolkata- 700019	U70109WB2006PTC111320	Associate	48.72	2(6)
2	KAUSHALYA ENERGY PRIVATE LIMITED 69, Girish Park, North, Kolkata- 700006	U40104WB2008PTC129344	Subsidiary	95.50	2(87)(II)
3	KAUSHALYA NIRMAN PRIVATE LIMITED 69, Girish Park, North, Kolkata- 700006	U70101WB2006PTC111321	Associate	46.00	2(6)
4	BENGAL KAUSHALYA NIRMAN LIMITED 69, Girish Park, North, Kolkata- 700006	U70100WB2006PLC123501	Subsidiary	51.00	2(87)(II)
5	BENGAL KDC HOUSING DEVELOPMENT LIMITED 171/1A Rash Behari Avenue, Kolkata- 700019	U70100WB2006PLC110153	Subsidiary	51.00	2(87)(II)

Annexure to Directors' Report (contd.)

Sl. No.	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
6	AZUR SOLAR KDC PRIVATE LIMITED 69, Girish Park, North, Kolkata- 700006	U31908WB2010PTC148514	Subsidiary	99.00	2(87)(II)
7	ORION ABASAAN PRIVATE LIMITED 160, Jamunalal Bajaj Street, Kolkata- 700007	U70101WB2006PTC111322	Associate	48.33	2(6)

IV. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

(i) Category- wise Share Holding

Category of Shareholder	Number of shares held at the beginning of the year 31.03.2015				Number of shares held at the end of the year 31.03.2016				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
(a) Individual/ HUF	3138780	0	3138780	9.06	3139624	0	3139624	9.06	0.00
(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	42.35	14666850	0	14666850	42.35	-
(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)	17805630	0	17805630	51.42	17806474	0	17806474	51.42	0.00
(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)	17805630	0	17805630	51.42	17806474	0	17806474	51.42	0.00
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	-
2. Non-institutions									

Annexure to Directors' Report (contd.)

Category of Shareholder	Number of shares held at the beginning of the year 31.03.2015				Number of shares held at the end of the year 31.03.2016				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(a) Bodies Corporate									
(i) Indian	6791378	0	6791378	19.61	7017322	0	7017322	20.26	0.65
(ii) Overseas	0	0	0	0	0	0	0	0	-
(b) Individuals									
(i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	7795090	639	7795729	22.51	7673948	639	7674587	22.16	(0.35)
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	1885234	0	1885234	5.44	1850959	0	1850959	5.34	(0.10)
(c) Others (specify)									
(c-i) Non-Resident Individuals	145568	0	145568	0.42	153532	0	153532	0.44	(0.02)
(c-ii) Trust	0	0	0	0	100	0	100	0.03	(0.01)
(c-iii) Clearing Members	207091	0	207091	0.60	127656	0	127656	0.37	(0.23)
Sub-Total (B)(2)	16824361	639	16825000	48.58	16823517	639	16824156	48.58	(0.01)
Total Public Shareholding (B)= (B)(1)+(B)(2)	16824361	639	16825000	48.58	16823517	639	16824156	48.58	(0.01)
C. Shares held by Custodians for GDRs & ADRs	0	0	0	0	0	0	0	0	-
GRAND TOTAL (A)+(B)+(C)	34629991	639	34630630	100.00	34629991	639	34630630	100.00	-

(ii) Shareholdings of Promoters

Sl. No.	Shareholders Name	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 (P) Ltd.	5307600	15.33	3.18	5307600	15.33	3.18	-
2	Keleenworth Marketing Pvt. Ltd.	4336350	12.52	0	4336350	12.52	0	-
3	Sun Kissed Merchandise Pvt. Ltd.	5022900	14.50	0	5022900	14.50	0	-
4	Sidh Nath Mehra	373510	1.08	0	373510	1.08	0	-
5	Mahesh Mehra HUF	35000	0.10	0	35000	0.10	0	-
6	Ramesh Kumar Mehra HUF	838000	2.42	0	838000	2.42	0	-
7	Purnima Mehra	31320	0.09	0	31320	0.09	0	-
8	Anuradha Mehra	97140	0.28	0	97140	0.28	0	-
9	Neeru Mehra	89100	0.26	0	89100	0.26	0	-
10	Ramesh Kumar Mehra	30010	0.09	0.09	30010	0.09	0.09	-
11	Rahul Mehra	18924	0.05	0	18924	0.05	0	-
12	Sidh Nath Mehra HUF	44000	0.13	0	44000	0.13	0	-

Annexure to Directors' Report (contd.)

Sl. No.	Shareholders Name	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	
13	Mohini Mehra	154600	0.45	0	154600	0.45	0	-
14	Karan Mehra	60740	0.18	0	60740	0.18	0	-
15	Prashant Mehra	917760	2.65	0.28	917760	2.65	0.28	-
16	Kartik Mehra	112000	0.32	0	112000	0.32	0	-
17	Pranav Mehra	134410	0.39	0	134410	0.39	0	-
18	Ramesh Kumar Mehra-Karta of Baijnath Mehra(HUF)	72500	0.21	0	72500	0.21	0	-
19	Pooja Mehra	10000	0.03	0	10000	0.03	0	-
20	Mehesh Mehra	48110	0.14	0.14	48110	0.14	0.14	-
21	Raghav Mehra	72500	0.21	0	72500	0.21	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.	Category of Shareholders	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	No Change during the year			
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	No Change during the year			
	At the end of the year	No Change during the year			

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

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
1	INDIAN INFOTECH AND SOFTWARE LIMITED				
	At the beginning of the year (01/04/2015)	1500000	4.33	-	-
	At the end of the year (31/03/2016)	-	-	1500000	4.33
2	SHIVOM INVESTMENT AND CONSULTANCY LIMITED				
	At the beginning of the year (01/04/2015)	1500000	4.33	-	-
	At the end of the year (31/03/2016)	-	-	1500000	4.33

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	SHIVGAGAN CONSULTANCY PVT. LTD.				
	At the beginning of the year (01/04/2015)	1018833	2.94	-	-
	At the end of the year (31/03/2016)			1018833	2.94
4	TRIBHUWAN ADVISORY PVT. LTD.				
	At the beginning of the year (01/04/2015)	900000	2.6	-	-
	At the end of the year (31/03/2016)	-	-	900000	2.6
5	TRILOK ADVISORY PVT. LTD.				
	At the beginning of the year (01/04/2015)	806167	2.33	-	-
	At the end of the year (31/03/2016)	-	-	806167	2.33
6	DHIREN MAHENDRA SHAH				
	At the beginning of the year (01/04/2015)	314534	0.91	-	-
	Transfer on 10/04/2015	(208941)	(0.6)	105593	0.3
	Transfer on 17/04/2015	46199	0.13	151792	0.44
	Transfer on 24/04/2015	(130000)	(0.38)	21792	0.06
	Transfer on 26/06/2015	27172	0.08	48964	0.14
	Transfer on 10/07/2015	65045	0.19	114009	0.33
	Transfer on 17/07/2015	31117	0.09	145126	0.42
	Transfer on 21/08/2015	(63415)	(0.18)	81711	0.24
	Transfer on 28/08/2015	(6600)	(0.02)	75111	0.22
	Transfer on 04/09/2015	(14363)	(0.04)	60748	0.18
	Transfer on 15/01/2016	34175	0.1	94923	0.27
	Transfer on 22/01/2016	5000	0.01	99923	0.29
	Transfer on 29/01/2016	5000	0.01	104923	0.3
	Transfer on 05/02/2016	13776	0.04	118699	0.34
	At the end of the year (31/03/2016)	-	-	118699	0.34
7	JYOTI PORTFOLIO LIMITED				
	At the beginning of the year (01/04/2015)	172234	0.50	-	-
	Transfer on 10/04/2015	3333	0.01	175567	0.51
	Transfer on 10/07/2015	(54254)	(0.16)	121313	0.35
	Transfer on 17/07/2015	(150)	(0.00)	121163	0.35
	Transfer on 24/07/2015	1266	0.00	122429	0.35
	Transfer on 31/07/2015	(764)	(0.00)	121665	0.35
	Transfer on 11/09/2015	25	0.00	121690	0.35
	Transfer on 24/09/2015	(56)	(0.00)	121634	0.35
	Transfer on 25/09/2015	(2000)	(0.01)	119634	0.35
	Transfer on 09/10/2015	(1907)	(0.01)	117727	0.34
	Transfer on 11/03/2016	(145)	(0.00)	117582	0.34
	At the end of the year (31/03/2016)	-	-	117582	0.34

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
8	YAJNANARAYANA KAMMAJE				
	At the beginning of the year (01/04/2015)	111695	0.32	-	-
	Transfer on 12/02/2016	(5000)	(0.01)	106695	0.31
	Transfer on 31/03/2016	(10000)	(0.03)	96695	0.28
	At the end of the year (31/03/2016)	-	-	96695	0.28
9	AJMERA ASSOCIATES LTD.				
	At the beginning of the year (01/04/2015)	78248	0.23	-	-
	At the end of the year (31/03/2016)	-	-	78248	0.23
10	JYOTI PORTFOLIO LIMITED				
	At the beginning of the year (01/04/2015)	77552	0.22	-	-
	Transfer on 10/04/2015	(3250)	(0.01)	74302	0.21
	Transfer on 10/07/2015	(13549)	(0.04)	60753	0.18
	Transfer on 25/09/2015	(7599)	(0.02)	53154	0.15
	At the end of the year (31/03/2016)	-	-	53154	0.15
11	INTERNATIONAL FINANCIAL SERVICES LTD.				
	At the beginning of the year (01/04/2015)	0	0.00	-	-
	Transfer on 10/04/2015	400000	1.16	400000	1.16
	Transfer on 24/04/2015	150000	0.43	550000	1.59
	At the end of the year (31/03/2016)	-	-	550000	1.59
12	KATRODIYA ZAVERBHAI				
	At the beginning of the year (01/04/2015)	0	0.00	-	-
	Transfer on 12/06/2015	22656	0.07	22656	0.07
	Transfer on 19/06/2015	37506	0.11	60162	0.17
	Transfer on 26/06/2015	13045	0.04	73207	0.21
	Transfer on 30/06/2015	8151	0.02	81358	0.23
	Transfer on 03/07/2015	36775	0.11	118133	0.34
	Transfer on 10/07/2015	21485	0.06	139618	0.40
	Transfer on 17/07/2015	12297	0.04	151915	0.44
	Transfer on 11/12/2015	3000	0.01	154915	0.45
	Transfer on 25/12/2015	1638	0.00	156553	0.45
	Transfer on 08/01/2016	15030	0.04	171583	0.50
	Transfer on 15/01/2016	3041	0.01	174624	0.50
	At the end of the year (31/03/2016)	-	-	174624	0.50
13	DAKSHA VISHANJI KOTAK				
	At the beginning of the year (01/04/2015)	0	0.00	-	-
	Transfer on 22/05/2015	104646	0.30	104646	0.30
	At the end of the year (31/03/2016)	-	-	104646	0.30

Annexure to Directors' Report (contd.)**(v) Shareholding of Directors & Key Managerial Personnel**

Sl. No	Name of Director and KMP	Shareholding at the end of the year		Cumulative Shareholding during the year		
		No. of shares of total shares of the company	%	No. of shares of total shares of the company	%	
1	Mr. Prashant Mehra -Managing Director (Resigned from the Company w.e.f 23.12.2015)					
		At the beginning of the year	917760	2.65	917760	2.65
		Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	No change during the year			
	At the end of the year	917760	2.65	917760	2.65	
2	Mr. Ramesh Kumar Mehra - Director (Resigned from the Company w.e.f 29.09.2015)	No. of shares	% of total shares of the company	No of shares	% of total shares of the company	
		At the beginning of the year	30010	0.09	30010	0.09
		Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	No change during the year			
		At the end of the year	30010	0.09	30010	0.09
3	Mr. Mahesh Mehra -Whole-time 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	48110	0.14	48110	0.14
		Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	No change during the year			
		At the end of the year	48110	0.14	48110	0.14
4	Mr. Parag Keshar Bhattacharjee -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. Rajesh Kumar Agarwal -Independent Director (Resigned from the Company w.e.f 18.11.2015)	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.)

6	Mrs. Minoti Nath -Independent Director	No. of shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	No change during the year			
	At the end of the year	0	0	0	0
7	Mr. Anil Kumar Agarwal -Independent Director (Appointed as on 04.05.2016)	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
8	Mr. Tarkeshwar Singh -Company Secretary (Resigned from the Company w.e.f 18.11.2015)	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
9	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	1500	0	1500	0
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	No change during the year			
	At the end of the year	1500	0	1500	0

Annexure to Directors' Report (contd.)

10	Mr. Sanjay Lal Gupta -Company Secretary (Appointed as on 10.05.2016)	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

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total
Indebtedness at the beginning of the financial year				
i) Principal Amount	591084075	-	-	591084075
ii) Interest due but not paid	23625580	-	-	23625580
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	614709655	-	-	614709655
Change in Indebtedness during the financial year				
Additions	-	5000000	-	-
Reduction	6817257	-	-	-
Net Change	6817257	5000000		11817257
Indebtedness at the end of the financial year				
i) Principal Amount	591084075	5000000	-	596084075
ii) Interest due but not paid	16808323	509258	-	17317581
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	607892398	5509258		613401656

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole time director and/or Manager:**

Sl. No	Particulars of Remuneration	Managing Director & Chief Executive Officer	Whole-time Director	Total Amount
		Mr. Prashant Mehra (Resigned w.e.f 23.12.2015)	Mr. Mahesh Mehra	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	13,11,290	1,140,000	24,51,290
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	--	--	--
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	--	--	--
2	Stock option	0	0	0
3	Sweat Equity	0	0	0
4	Commission			
	as % of profit	0	0	0
	others (specify)	0	0	0
5	Others, please specify	0	0	0
	Total (A)	13,11,290	1,140,000	24,51,290
Ceiling as per the Act:- ₹ 42 Lakhs as per section II of schedule V of Companies Act, 2013 read with section 197(3) of the Companies Act, 2013 read with Schedule V.				

Annexure to Directors' Report (contd.)

B. Remuneration to other directors:

Sl. No	Particulars of Remuneration	Name of the Directors					Total Amount
		Chairman/Non-Executive and Non Independent Director	Independent Directors				
		Mr. Ramesh Kumar Mehra (Resigned w.e.f 29.09.2015)	Mr. Rajesh Kumar Agarwal (Resigned w.e.f 18.11.2015)	Mr. Parag Keshar Bhattacharjee	Mrs. Minoti Nath	Mr. Anil Kumar Agarwal (Appointed w.e.f 04.05.2016)	
1	(a) Fee for attending board/committee meetings	8,500	34,000	56,000	42,000	0	1,40,500
	(b) Commission	--	--	--	--	--	--
	(c) Others, please specify	--	--	--	--	--	--
	Total (B)	8,500	34,000	56,000	42,000	0	1,40,500
	Total Managerial Remuneration (A+B)						2591790
Ceiling as per the Act: - Rs 1 Lakh per meeting of the board or committee as per section 197(5) of 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 Managerial Personnel			
		Company Secretary		CFO	Total
1	Gross Salary	Mr. Tarkeshwar Singh (Resigned w.e.f 14.11.2015)	Mr. Sanjay Lal Gupta (Appointed w.e.f 10.05.2016)	Mr. Tarak Nath Mishra	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	2,27,333	N.A	4,80,000	7,07,333
	(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	2,27,333	N.A	4,80,000	7,07,333

Annexure to Directors' Report (contd.)

VII. Penalties/Punishment/Compounding Of Offences

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

Kolkata

Dated: 8th August, 2016

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 VI to the Directors' report

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
(For the period FY 2015-2016)

[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 Board of Directors

M/s KAUSHALYA INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED

HB-170, SECTOR-3, SALT LAKE,

KOLKATA-700 106

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s KAUSHALYA INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED (CIN:L51216WB1992PLC055629)**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon. Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period ended on 31st MARCH, 2016, 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:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by **KAUSHALYA INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED** ("The Company") for the period ended on 31st March, 2016 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') wherever applicable & to the extent applicable to the Company:-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers Regulations, 2011)
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2015.
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

Annexure to Directors' Report (contd.)

- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - 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; and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- VI. We have relied on the representation made by the Company & its Officers for system & mechanism formed by the Company for the compliances under Income Tax Act, 1961.
2. We have also examined compliance with the applicable clauses of the following:
- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
 - ii. The Listing Agreements entered into by the Company with the Bombay Stock Exchange Limited and National Stock Exchange of India Limited.
 - iii. Other Laws as may be specifically applicable to the Company.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, LODR, Listing Agreements etc mentioned above subject to the following observations:-

The Charge created/modified on 29/04/2015 was filed on 18/09/2015. The resignation of one of the Director Ramesh Kumar Mehra on 29/09/2015 was filed with the Registrar of Companies on 03/11/2015 with additional fee. The requisite Form DIR-12 has been filed by the Company with the Registrar of Companies in respect of the particulars of appointment of Key Managerial Personnel on 10/05/2016.

The requisite Form MGT-14 has been filed with late fee on 13/04/2016 by the Company with the Registrar of Companies as to appointment of Secretarial Auditor on 27/01/2016 for the Financial Year 2015-16.

The Company has provided the e-voting facility in the Annual General Meeting held on 29th September, 2015 as specified under Clause 35B of the Listing Agreement.

3. We further report that the Company has, in our opinion, complied with the provisions of the Companies Act, 1956 and the Rules made under that Act and the provisions of Companies Act, 2013 as notified by Ministry of Corporate Affairs and the Memorandum and Articles of Association of the Company, with regard to:
- a) maintenance of various statutory registers and documents and making necessary entries therein;
 - b) closure of the Register of Members.
 - c) forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
 - d) service of documents by the Company on its Members, Auditors and the Registrar of Companies;
 - e) notice of Board meetings and Committee meetings of Directors;
 - f) the meetings of Directors and Committees of Directors including passing of resolutions by circulation;
 - g) the 23rd Annual General Meeting held on 29th September 2015;

Annexure to Directors' Report (contd.)

- h) minutes of proceedings of General Meetings and of the Board and its Committee meetings;
 - i) approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;
 - j) constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and reappointment of Directors including the Managing Director and Whole-time Director;
 - k) payment of remuneration to Directors including the Managing Director and Whole-time Director.
 - l) appointment and remuneration of Auditors and Cost Auditors;
 - m) transfers and transmissions of the Company's shares and issue and dispatch of duplicate certificates of shares;
 - n) declaration and payment of dividends;
 - o) transfer of certain amounts as required under the Act to the Investor Education and Protection Fund and uploading of details of unpaid and unclaimed dividends on the websites of the Company and the Ministry of Corporate Affairs;
 - p) borrowings and registration, modification and satisfaction of charges wherever applicable;
 - q) investment of the Company's funds including investments and loans to others;
 - r) form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule VI to the Act;
 - s) Directors' report;
 - t) contracts, common seal, registered office and publication of name of the Company; and
 - u) Generally, all other applicable provisions of the Act and the Rules made under the Act.
4. We 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 changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
 - Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
 - The whole time Company Secretary resigned on 14/11/2015 and new whole time Company Secretary, due to be appointed with 6 months, has been appointed within due time on 10/05/2016.
 - Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
 - The Company has obtained all necessary approvals under the various provisions of the Act; and
 - There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and

Annexure to Directors' Report (contd.)

Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.

- The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;

SHAILESH KUMAR KABRA
M/s S.K. KABRA & ASSOCIATES
Practicing Company Secretaries
Membership No.: FCS 7580 (ACS 23029)
Certificate of Practice No.: 8281

Date- 23rd May, 2016
Place-Kolkata

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

Annexure "A"

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

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

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

SHAILESH KUMAR KABRA
M/s S.K. KABRA & ASSOCIATES
Practicing Company Secretaries
Membership No.: FCS 7580 (ACS 23029)
Certificate of Practice No.: 8281

Date- 23rd May, 2016
Place-Kolkata

Management Discussion and Analysis

Management Discussion and Analysis Report

Infrastructure development has been consistently a core focus and priority sector of Indian Government. The construction sector employing more than 35 million people is the second largest employer in the country after agriculture and also attracts the second highest FDI equity inflows given its capital intensive nature. The investment in the development of infrastructure is a key driver for GDP growth and has a multiplier effect due to its nature being an enabler of other industries and services.

Overview of Construction industry in India

The construction sector in India has been witnessing a slowdown in India partly due to projects getting caught up in land and other disputes and partly due to the finance requirements with the banking and other financial sectors taking a cautionary stance on lending.

The real estate sector, constituting 7.6 per cent of India's Gross Domestic Product (GDP) in 2015- 16 has also seen similar slowdowns partly due to the liquidity concerns and partly due to the global effect of real estate sluggishness.

Construction has played a major part, both in rural areas (through the 10 year-old Mahatma Gandhi National Rural Employment Guarantee Act, which provides jobs building ponds, roads and other infrastructure) and urban areas (through real estate and infrastructure). Construction is a \$126 billion (₹ 8.39 lakh crore) industry - larger than pharmaceuticals and gems and jewelry sectors.

Foreign Direct Investment (FDI) received in construction development sector from April 2000 to December 2015 stood at US\$ 24.18 billion, according to the Department of Industrial Policy and Promotion (DIPP).

SWOT Analysis

SWOT analysis is a major tool for computation of strength, weakness, opportunities and threats for every industry. This is a method of analyzing of the environment and the company's standing in it.

a) Strengths

The company's core strength comes from the credentials of completion of projects as well as its name recognition in the market it operates in. Moreover, its strengths comes from a number of different levels comprising of efficiencies in operation, overhead management and rationalization, its equipment as well as its engineers and employees. One of the key strengths of the company stems from project management capability and experience of management and execution teams. Sustained relations with clients acts as a key driver for obtaining projects and for development of the businesses. The company has diversified into multiple types of projects and thereby developed expertise in various spheres like, roads, bridges, buildings, power projects, land development, industrial complex development etc. This diversification would enable the company to cushion against slowdown in one particular type of activity by shifting focus to the other areas of the construction sector.

b) Weaknesses

One of the key weaknesses faced by most companies in the sector has been too much reliance on one or two clients. The company is trying to diversify its base of clients to buffer against such risks and weaknesses that may impact such large clients and have a trickle down effect on

Management Discussion and Analysis (contd.)

the company. The other areas of weakness pertains to employee retention and continuous up-gradation of technologies to be competitive in the market which the company continues to strive to achieve.

c) Opportunities

Adding a new division and leveraging existing operations are opportunities for the company to mine on its existing expertise and skill levels. In addition, opportunities can emerge by using business expertise to anticipate trends and focusing efforts on such areas based on experience and anticipating the demand. With the central government focusing on infrastructure, the opportunities of new projects as well as new construction sectors opening up is immense and the company has positioned itself to take advantage of such opportunities. Long standing relations with clients also enables such new opportunities to be anticipated and the company can prepare itself and position its resources to take advantage of such opportunities as and when they arrive.

d) Threats

For a construction company, some threats may be beyond its control, such as an industry slowdown caused by difficult economic times. Others external threats may be politics, internal weakness etc. If the cost structure is higher than the competition, any change in project timeline and delay may cause threat to margins. Changing market preferences can also be a threat. The financial market conditions and banking sector outlook when conservative also acts as a threat by restricting cash flows to projects and jeopardizing their execution and completion timeframes.

Risk & Concern

Given that construction sector is a capital intensive business, the level of risk also complements such investment. Particularly the risks related to projects being stuck in litigation and delays in financial closure are some of the key risk and concern areas.

The following are the key risk areas that are of concern:

(a) Completion risk (b) Price risk (c) Resource risk (d) Technology risk (e) Operating risk (f) Political risk (g) Casualty risk (h) Environmental risk (i) Interest rate risk (j) Insolvency risk (k) Site risk

The company keeps analyzing the various risks pertaining to projects and tries to mitigate them as much as possible either through proactive management of the same or reactive solving of problems associated with such risks.

Future Outlook & Challenges

As we aware, all infrastructure companies across India are facing challenging times due to their high level of exposure to banking and lending institutions. With a slowdown in the economy coupled with competitive pricing of projects, several of such projects have come under repayment troubles and servicing of bank debt has become difficult. This is exacerbated with fund and liquidity crunch at the client level which impacts both the private as well as the public sector. Project disputes have further made realization of outstanding dues difficult. Majority of these factors are not under the control of the management. Until liquidity concerns are adequately addressed and the government sector organizations are in a position to institute a fair and quick dispute redressal mechanism the challenges would continue to impact the future outlook of the industry and companies.

Management Discussion and Analysis (*contd.*)

With the present emphasis on creating physical infrastructure, massive investment is planned in this sector. The Planning Commission has estimated that investment requirement in infrastructure to the tune of about 14,500 billion or US\$320 billion during the 11th Five Year Plan period.

Internal Control System and Their Adequacy

The Company has put in place internal control system for major processes like payroll, contract labour, human resource, procurement and purchase of material, fixed asset, inventory control, cash management etc. to ensure reliability of financial reporting, compliance with policies, procedures, laws and regulations. The Internal Auditor of the Company monitors and evaluates the efficacy and adequacy of internal control systems in the Company. Significant observations and corrective actions thereon are presented to the Audit Committee from time to time and addressed.

Discussion on Financial Performance

Revenue

For the financial year ended 31st March, 2016, your Company's Income from operations stood at Rs. 63.53 Lacs as against Rs. 608.48 Lacs in the previous year. Reduction in revenue was a result of non availability of funds due the accounts being classified as non performing by the bankers of the company.)

Expenditure

Your company's total expenditure comprising of contract & site expenses, employee benefit cost, depreciation, material consumed including other expenses was ₹ 5,654.74 Lacs for year ended 31st March, 2016 as comparing to ₹ 742.08 Lacs in the previous year. Contract and site expenses included provision for doubtful debts relating to long outstanding debtors and litigated debtors.

Interest

Interest expenses stood at ₹ (3.43) Lacs and previous year figure was ₹ 657.50 Lacs. Lower interest expenses resulted from the banks not charging interest in the accounts and reversing interest for three months as per RBI guidelines after the accounts were classified as non performing.

Profit before Tax (PBT)

PBT is ₹(5,480.27) Lacs for the current year from ₹ (744.87) Lacs in the previous year. Increase in losses resulted from provisions created for long outstanding debtors.

Profit after tax

Your company's profit after tax is ₹ (5,475.45) Lacs for the year ended March 31, 2016 from ₹ (727.86) Lacs as compared to the previous year.

EPS

The earnings per share for the current year stood at ₹ (15.81) as compared to ₹ (2.10) per equity share in the previous year.

Consolidated Financials

The current year results include the results of the companies including subsidiaries, step down

Management Discussion and Analysis (*contd.*)

subsidiaries and associates & JV. The Consolidated Financial Statements have been drawn as per the Accounting Standards 21, 23 and 27 issued by the Institute of Chartered Accountants of India. These companies operate broadly in (a) Construction of roads, bridges and infrastructure development (b) Housing Development (c) Renewable Energy Power projects and (d) Other sectors.

Market requirements

The current infrastructure and construction sector requires fresh infusion of finances as well as renewed focus from companies to revive its sluggish growth. India needs Rs 31 trillion (US\$ 454.83 billion) to be spent on infrastructure development over the next five years, with 70 per cent of funds needed for power, roads and urban infrastructure segments.

The Indian construction equipment industry is reviving after a gap of four years and is expected to grow to US\$ 5 billion by FY 2019-20 from current size of US\$ 2.8 billion, according to a report released by the Indian Construction Equipment Manufacturers' Association (ICEMA).

Human Resources

The Company strives to create a competitive and level environment for its employees. The Company provides fair compensation in line with industry norms and career paths for employees to strive to. The Company also imparts necessary training and education on its employees.

Cautionary Statement

The Statements in the 'Management Discussion and Analysis Report' with regard to projections, estimates and expectations have been made in good faith. The achievement of results is subject to risks, uncertainties and even less than accurate assumptions. Market data and information are gathered from various published and unpublished reports. Their accuracy, reliability and completeness cannot be assured.

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

CORPORATE GOVERNANCE

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

1. PHILOSOPHY OF CORPORATE GOVERNANCE

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

2. BOARD OF DIRECTORS

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

In compliance with the Corporate Governance norms, your Company's Board of Directors comprises of four Directors (out of which one is Executive Director and three are Non-Executive Independent Directors).

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

The composition of the Board as on 31st March, 2016 was as under:

Name of Director	Business relationship	DIN	Category of Directors hip	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	-	-
Mr. Parag Keshar Bhattacharjee	Director	00081899	Independent Non- Executive	5	-	2
Mrs. Minoti Nath	Director	07017530	Independent Non-Executive	0	-	-
^Mr. Anil Kumar Agarwal	Director	06844213	Independent Non- Executive	NA	NA	NA
*Mr. Ramesh Kumar Mehra	Non-Executive Chairman	00086598	Promoter Non-Independent Non- Executive	2	-	-
*Mr. Prashant Mehra	Managing Director	00086725	Promoter Non-Independent Executive	2	-	-
**Mr. Rajesh Kumar Agarwal	Director	00431195	Independent Non- Executive	0	-	-

Report on Corporate Governance (*contd.*)

NOTES:

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

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

* In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is hereby disclosed that Mr. Ramesh Kumar Mehra is the father of Mr. Prashant Mehra and brother Mr. Mahesh Mehra. Other than this, none of the other Directors are in any way related to any other Director as per section 2(77) of Companies Act, 2013 read with rule 2014.

During the year Mr. Ramesh Kumar Mehra, Director liable to retire by rotation at the 23rd Annual General Meeting of the Company, has resigned from the Company and his vacancy is not filed up.

During the year Mr. Prashant Mehra resigned and ceased to be Managing Director of the Company w.e.f. 23rd December, 2015 due to personal reason.

** During the year Mr. Rajesh Kumar Agarwal resigned and ceased to be Independent Director of the Company w.e.f. 18th November, 2015 due to personal reason.

^ Mr. Anil Kumar Agarwal was appointed as an Additional Director of the Company in the category of Independent Director by the Board in its meeting held on 4th May, 2016

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), Regulation, 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), Regulation, 2015, and Section 149 of the Companies Act, 2013. No Director is related to any other director, except Mr. Ramesh Kumar Mehra, Mr. Prashant Mehra and Mr. Mahesh, who are related to each other, as Mr. Ramesh Kumar Mehra is the father of Mr. Prashant Mehra and brother of Mr. Mahesh Mehra. The Company has conducted familiarisation programme for the Independent Directors of the Company. The details of familiarisation programme are disclosed in the website of the Company at web-link- <http://www.kaushalya.net/INDEPENDENTDIRECTORS.pdf>. The Director is also explained in detail the compliances required from him under the Companies Act, Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements), Regulation, 2015 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 2015-16, 7(Seven) Board Meetings were held. The Company held at least one meeting in every quarter and the time gap between two board meetings did not exceed 120 days as prescribed under Regulation 17(2) of SEBI (Listing Obligations and Disclosure Requirements), Regulation, 2015 and Companies Act, 2013. The details are follows:-

The previous Annual General Meeting was held on September 29, 2015.

Report on Corporate Governance (*contd.*)

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

Name of Director	Attendance at the Board Meetings held on							Attendance at the AGM held on 29.09.2015
	15.05.2015	30.05.2015	13.08.2015	14.11.2015	14.12.2015	23.12.2015	27.01.2016	
Mr. Mahesh Mehra	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Parag Keshar Bhattacharjee	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mrs. Minoti Nath	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Anil Kumar Agarwal**	NA	NA	NA	NA	NA	NA	NA	NA
Mr. Ramesh Kumar Mehra@	Yes	No	Yes	NA	NA	NA	NA	Yes
Mr. Prashant Mehra#	Yes	Yes	Yes	Yes	Yes	Yes	NA	Yes
Mr. Rajesh Kumar Agarwal*	Yes	Yes	Yes	Yes	NA	NA	NA	Yes

NOTES:

@ resigned from directorship w.e.f. 29th September, 2015.

resigned from directorship w.e.f. 23rd December, 2015.

* resigned from directorship w.e.f. 18th November, 2015.

** appointed as an Additional Director of the Company in the category of Independent Director w.e.f. 04th May, 2016.

3. 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), Regulation, 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
- vi) Executive Committee

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

i. Audit Committee

The composition of the Audit Committee is in accordance with the provisions of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements), Regulation, 2015. The Audit Committee acts as the link between the Statutory and the Internal Auditors and the Board of Directors. The present terms of reference of the Audit Committee includes the powers as laid out in Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements), Regulation, 2015 with the Stock Exchanges. The Audit Committee also reviews information as per the requirement of Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements), Regulation, 2015.

Report on Corporate Governance (*contd.*)

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

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

The brief descriptions of the terms of reference of the Audit Committee in line with the Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements), Regulation, 2015 are:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions;
 - g. Qualifications in the draft audit report;
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

Report on Corporate Governance (*contd.*)

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

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

Composition, Meeting and Attendance

i. Audit Committee

The Audit Committee of the Company comprises three directors – two of whom are Independent, Non-Executive and one is Promoter, Executive. All of them are experts in corporate finance, accounts and corporate law. The Chairman of the Committee is an Independent Non-Executive Director, nominated by the Board. The Company Secretary acts as the secretary to the Committee.

Report on Corporate Governance (contd.)

The Chief Financial Officer, the Statutory Auditor, and the Internal Auditor of the Company are invitees at the meetings of the Committee. The internal auditor directly report to the audit committee. The composition of the Audit Committee meets the requirement of the Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements), Regulation, 2015 and the provisions of the Companies Act, 2013. During the year ended 31st March, 2016, 5(Five) Audit Committee meetings were held on May 30, 2015, August 13, 2015, November 14, 2015, December 14, 2015 and January 27, 2016. The composition and attendance of the members of the Audit Committee are as follows:

Name of the Member	Position	No. of Meetings	
		Held	Attended
Mr. Parag Keshar Bhattacharjee	Chairman, Independent, Non-Executive	5	5
Mr. Mahesh Mehra*	Member, Promoter, Executive	5	5
Mr. Minoti Nath*	Member, Independent, Non-Executive	5	2
Mr. Prashant Mehra#	Member, Promoter, Executive	5	4
Mr. Rajesh Kumar Agarwal@	Member, Independent, Non-Executive	5	3

NOTES:

resigned from directorship w.e.f. 23rd December, 2015.

@ resigned from directorship w.e.f 18th November, 2015.

*appointed as members of Audit Committee w.e.f 23rd December, 2015.

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

ii. Remuneration Committees/Nomination and Remuneration Committee

The Nomination and Remuneration Committee identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the board their appointment and removal and carry out evaluation of every director's performance. The Nomination and Remuneration Committee formulated the criteria for determining qualifications, positive attributes and independence of a director and recommended to the Board a policy, relating to remuneration for the Directors, Key Managerial Personnel and other employees. It shall also carry out such other functions as may be required under the Companies Act, 2013 and the Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements), Regulation, 2015.

As on 31st March, 2016, the Nomination and Remuneration Committee comprises only two directors, all of whom are Non-Executive Directors and are Independent Directors. The members of the committee are Mr. Parag Keshar Bhattacharjee and Mrs. Minoti Nath. Previously the members of the committee are Mr. Parag Keshar Bhattacharjee, Mr. Ramesh Kumar Mehra and Mr. Rajesh Kumar Agarwal, but Mr. Ramesh Kumar Mehra and Mr. Rajesh Kumar Agarwal, members of the Nomination and Remuneration Committee has resigned from the Company w.e.f 29th September, 2015 and 18th November, 2015 respectively. Mr. Anil Kumar Agarwal is appointed as an Additional Director and Member of the Nomination and Remuneration Committee w.e.f 4th May, 2016.

Report on Corporate Governance (*contd.*)

During the year ended 31st March, 2016, one meeting of the Nomination and Remuneration Committee were held on 13th August, 2015. The composition of Nomination and Remuneration Committee are as follows:

Sl. No	Name of Director	Position	No. of Meetings	
			Held	Attended
1	Mr. Parag Keshar Bhattacharjee	Chairman, Independent, Non-Executive	1	1
2	Mrs. Minoti Nath*	Member, Independent, Non-Executive	1	NA
3	Mr. Anil Kumar Agarwal**	Member, Independent, Non-Executive	1	NA
4	Mr. Rajesh Kumar Agarwal#	Member, Independent, Non-Executive	1	1
5	Mr. Ramesh Kumar Mehra@	Member, Promoter, Non-Executive	1	1

Notes:

resigned from directorship w.e.f. 18th November, 2015.

@ resigned from directorship w.e.f 29th September, 2015.

* appointed as member of Nomination and Remuneration Committee w.e.f 23rd December, 2015.

** appointed as member of Nomination and Remuneration Committee w.e.f 04th May, 2016.

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

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

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

Remuneration Policy

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

- (i) Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;

Report on Corporate Governance (*contd.*)

- (ii) Ensuring that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (iii) Ensuring that the remuneration involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

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

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

The following elements shall be considered for payment of remuneration to Executive Directors, KMP and other employees: Industry Average, Remuneration drawn by peers considering nature and volume of responsibilities, Qualification, Experience, Immediate previous position held in earlier organisation & responsibilities occupied, responsibilities shouldered in the Company, contribution made in the Company, any achievements, rewards or recognitions, behavioural patterns and work ethics, evaluation of performance, etc.

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

Report on Corporate Governance (*contd.*)

Remuneration to KMP, Senior Executives and other employees

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

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

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

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

Review – The Nominating & 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. 5000/- for attending each Board of Directors meeting and Rs 3500/- for attending each committee meeting. The Company pays remuneration by way of salary to its Managing and Whole Time Director. The remuneration paid is within the limit specified under the Companies Act, 2013 read with its rule & Schedule V and approved by the Board as well as by the shareholders of the Company.

Criteria for payment to Non-Executive Directors

As per the present policy, the Company does not pay any remuneration to any Independent Director except sitting fees for attending the meetings of the Board / Committees.

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

Report on Corporate Governance (contd.)

The details of sitting fees for the Financial Year 2015-16 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, 2016
			Board Meeting	Committee Meeting/ Seprate Meeting of Independent Directors	
1	Mr. Parag Keshar Bhattacharjee	Non-Executive Independent	30000/-	26000/-	NIL
2	Mrs. Minoti Nath	Non-Executive Independent	30000/-	12000/-	NIL
3	Mr. Ramesh Kumar Mehra@	Non-Executive Non-Independent	5000/-	3500/-	30010
4	Mr. Rajesh Kumar Agarwal#	Non-Executive Independent	20000/-	14000/-	NIL
5	Mr. Anil Kumar Agarwal^	Non-Executive Independent	NA	NA	NIL

Notes:

@ resigned from the directorship w.e.f. 29th September, 2015.

resigned from the directorship w.e.f. 18th November, 2015.

^ appointed as additional director w.e.f 4th May, 2016.

Remuneration/Sitting Fees paid to Executive and Non-Executive Directors of the Company during the Financial Year ended March 31, 2016 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 31.03.2016
					From	To		
Mr. Prashant Mehra @	13,11,290/-	--	--	13,11,290/-	01.10.2014	30.09.2017	2 Months	917760
Mr. Mahesh Mehra	11,40,000/-	--	--	11,40,000/-	04.09.2012	03.09.2017	2 Months	48110

Notes:

@ Mr. Prashant Mehra resigned from the post of Managing Director w.e.f 23rd December, 2015.

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, 2016, no Stakeholders Relationship Committee meetings were held. The composition and attendance of the members of the Stakeholders Relationship Committee are as follows:

Report on Corporate Governance (*contd.*)

The Stakeholders Relationship Committee consists of the following Members:

Sl. No	Name of Director	Category	No. of Meeting Attended
1	Mr. Parag Keshar Bhattacharjee	Chairman, Non-Executive Independent	No meeting held during the year
2	Mr. Ramesh Kumar Mehra@	Member, Non-Executive Non Independent	No meeting held during the year
3	Mr. Mahesh Mehra	Member, Executive	No meeting held during the year
4	Mrs. Minoti Nath*	Member, Non-Executive Independent	No meeting held during the year

Notes:

@ resigned from directorship w.e.f 29th September, 2015.

* appointed as member of Stakeholder Relationship Committee w.e.f 23rd December, 2015.
The Company Secretary acts as the Secretary of the 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), Regulation, 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 2015-2016, excluding correspondences which are not in the nature of complaints are given below:

Number of complaints received from the shareholders	2
Number of complaints redressed	2
Number of complaints not solved/pending	Nil

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

SEBI Complaints Redress System (SCORES)

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

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

Report on Corporate Governance (*contd.*)

iv. Executive Committee

The Executive Committee as at March 31, 2016 comprised is given hereunder:

Sl. No	Name of Director	Designation	Category
1.	Mr. Prashant Mehra*	Member	Executive Director
2.	Mr. Mahesh Mehra	Member	Executive Director

*resigned from the post of Managing Director of the Company w.e.f 23rd December, 2015.

The Company Secretary acts as the Secretary to this committee.

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

4. PERFORMANCE EVALUATION

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

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

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

5. SEPARATE MEETING OF INDEPENDENT DIRECTORS'

During the year ended 31st March, 2016, the Independent Directors met on 31st March, 2016, inter alia,

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

Report on Corporate Governance (*contd.*)

6. GENERAL BODY MEETING

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

Financial Year	Date	Time	Venue	Special Resolution Passed, if any
2014-2015	29th September, 2015	11.00A.M	Agora, 5th Floor Axis Mall, Unit-A (Block-B) Plot No. CF9, Major Arterial Rd, Action Area 1C, Newtown, Kolkata-700156	YES**
2013-2014	30th September, 2014	11.00 A.M	Aikatan, EZCC, IA-290, Sector-III, Saltlake, Kolkata-700097	YES*
2012-2013	27st September, 2013	11.30 A.M	“Rabindra Okakura Bhavan”, DD 27/A/1, Salt Lake, Kolkata -700 064	NO

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

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

- a. Appointment of Mrs. Minoti Nath as an Independent Director for a term of five years.
- b. To consider and accord new Article of Association.
- c. To mortgage undertaking of Company under section 180(1)(a) of Companies Act, 2013.

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

- a. Re-appointment of Mr. Prashant Mehra as Managing Director.
- b. Authority to the Board to borrow money under section 180(1)(c) of the Companies Act, 2013.
- c. Approval of related party transaction u/s 188 of the Companies Act, 2013.

D.1 **Extraordinary General Meeting:** During the Financial Year 2014-2015 no Extraordinary General Meeting of the members of the company was held.

D.2 **Postal Ballot:** Following Special Resolutions requiring a postal ballot were passed during the year:-

- a. To consider and approve the Appointment of M/s Monu Jain & Company, Chartered Accountant as a Statutory Auditors of the Company arising out of Casual Vacancy caused by the resignation of M/s. Sumanta & Co., Chartered Accountants, Kolkata, for the financial year 2015-16.
- b. To consider and approve giving of loans or guarantees or providing of securities in connection with the loan made to any other body corporate(s) or person(s) or making of investments in excess of the limit specified under Section 186 of the Companies Act, 2013.

Report on Corporate Governance (*contd.*)

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

The Company does not have any material non-listed Indian subsidiary company and hence, it is not required to have an independent director of the Company on the Board of such subsidiary company. The minutes of the proceedings of meetings of the Board of Directors of subsidiary companies are periodically placed before the Board of Directors of the Company and the attention of the directors is drawn to significant transactions and arrangements entered into by the subsidiary companies.

No of Subsidiary Companies:-

As at March 31, 2016 the Company had following Subsidiaries:

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

Step Down Subsidiary

- Azur Solar KDC Private Limited (Kaushalya Solar Power Private Limited)

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

Report on Corporate Governance (*contd.*)

- vii. The Management Discussion and Analysis Report forms a part of the Annual Report and includes various matters specified under the regulation 34 of SEBI (Listing Obligations and Disclosure Requirements), Regulation, 2015.
- viii. The CEO/CFO has been placed before the board at their meeting held on August 8, 2016, in compliance with SEBI (Listing Obligations and Disclosure Requirements), Regulation, 2015 with the stock exchanges duly signed by the Managing Director/CEO and CFO.
- ix. The statutory auditor certificate, with respect to compliance of SEBI (Listing Obligations and Disclosure Requirements), Regulation, 2015 relating to Corporate Governance, has been annexed to the Directors' Report and will be sent to the Stock Exchanges at the time of filing the Company's Annual Report.
- x. The Company has laid down procedures to inform Board Members about the Risk Assessment and minimization procedure, which are periodically reviewed by the Board.
- xi. Details of Directors seeking Appointment/Re-appointment at the ensuing Annual General Meeting as required under the SEBI (Listing Obligations and Disclosure Requirements), Regulation, 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 on quarterly basis to confirm reconciliation of the issued and listed capital, shares held in dematerialised and physical mode and the status of the register of members.

8. Code of Conduct

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

All Board Members and the Senior Management Personnel of the Company Have affirmed compliance with the Code of Conduct as on March 31, 2016.

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

Declaration

Pursuant to Regulation 34(3) Part D of the SEBI Listing Regulations with stock exchanges, I, Mahesh Mehra, Whole-time Director of Kaushalya Infrastructure Dev Corp Limited, declare that all the Board Members and Senior Executives of the Company have affirmed their compliance with the Code of Conduct during the year ended 31st March, 2016.

For Kaushalya Infrastructure Dev Corp Ltd

Sd/-

Mahesh Mehra

Whole-time Director

DIN-00086683

Place: Kolkata

Date: 8th August, 2016

9. MEANS OF COMMUNICATION

- i) A half-yearly report was not sent to each household of shareholders. Shareholders were intimated through the press and the Company's website www.kaushalya.net about the quarterly performance and financial results of the Company.
- ii) The quarterly, half yearly and annual results of the Company were widely published in the leading English and Bengali regional newspapers such as the Business Standard/Financial Express and Arthik Lipi.

Report on Corporate Governance (contd.)

- iii) The NEAPS is a web based application designed by NSE for corporates. All periodical compliance filings like financial results, shareholding pattern, corporate governance report etc. are filed electronically on NEAPS.
- iv) BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like financial results, shareholding pattern, corporate governance report, etc. are filed electronically on the Listing Centre.
- v) SEBI Complaints Redress System (SCORES): The investor complaints are processed in a centralised web based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.
- vi) The Company has designated following email-id exclusively for redressal of the investor grievances and the necessary disclosure to this effect has also been made in the Company's website www.kaushalya.net: info@kaushalya.net
- vii) The Management Discussion and Analysis forms part of the Annual Report, which is posted to the shareholders of the Company.

10. GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting

Date and Time: 22nd September, 2016 at 11.00 a.m.

Venue: "Nandita Marriage House", Shankar Abasaan, Hellabattala, Baguiati, Kolkata-700 059.

Financial Year

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

Financial year calendar for 2016-17 (Tentative)*

Particulars	Tentative Schedule
Results for the quarter ending 30th June, 2016	Disclosed on 8th August, 2016
Results for the quarter ending 30th September, 2016	On or before November 14, 2016 (Subject to Limited Review)
Results for the quarter ending 31st December, 2016	On or before February 14, 2017 (Subject to Limited Review)
Results for the quarter ending/Annual 31st March, 2017	On or before May 30, 2017 (Audited)

* Tentative and subject to change.

Book Closure Date

16th September, 2016 to 22nd September, 2016 (both days inclusive) on account of AGM.

Listing of Equity Shares on Stock Exchanges at

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

Report on Corporate Governance (*contd.*)

Listing Fees

Listing fee for the year 2016–17 has not yet been paid to the NSE, BSE where the Company's equity shares are listed. The Listing fees will be paid later on along with interest.

Depositories

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

Corporate Identity Number (CIN)

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

ISIN No. for the Company

ISIN No. for the Company's Equity Share in De mat Form: **INE234101010**.

Stock Code

NSE KAUSHALYA

BSE 532925

Market price data

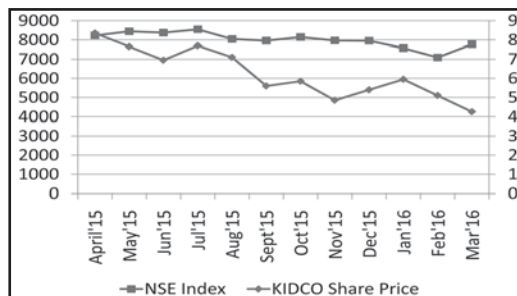
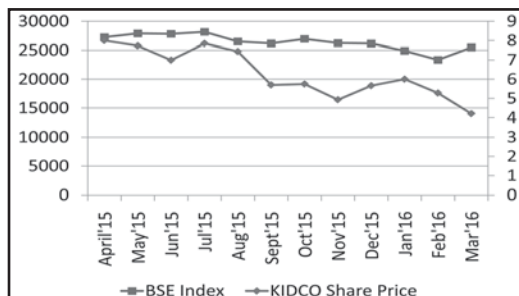
Monthly high, low quotations and trading volumes of the Company's equity shares (Face Value of ₹ 10/- each) during the financial year 2015-16 at NSE and BSE are noted below:

Months	Bombay Stock Exchange Ltd			National Stock Exchange of India Ltd.		
	High	Low	Volume	High	Low	Volume
April, 2015	8.00	6.12	143084	8.35	6.20	62656
May, 2015	7.73	6.03	44592	7.65	5.90	54349
June, 2015	6.99	5.11	169111	6.95	5.20	26381
July, 2015	7.85	6.10	218405	7.70	5.65	63051
August, 2015	7.44	4.51	100007	7.10	4.00	62918
September, 2015	5.70	4.00	78476	5.60	4.15	12907
October, 2015	5.75	4.10	62210	5.85	4.40	65460
November, 2015	4.93	4.28	89812	4.85	4.20	33965
December, 2015	5.66	4.02	112712	5.40	4.55	61096
January, 2016	6.00	4.35	75219	5.95	4.25	44084
February, 2016	5.28	3.05	66921	5.10	3.30	10742
March, 2016	4.20	3.40	43090	4.25	3.20	11853

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

Report on Corporate Governance (contd.)

Performance of the Company in comparison with broad based indices



Registrar and Share Transfer Agent

CB Management Services Private Limited

P-22, Bondel Road, Kolkata-700019

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

Email: rta@cbmsl.com

Website: www.cbmsl.com

Share Transfer System

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

Shareholding pattern as on March 31, 2016

Category	No of Shares Held	% of shareholding
Promoters & Promoter Group	1,78,06,474	51.42
Institutional Investors	Nil	Nil
Bodies Corporate	70,17,322	20.26
Indian Public	95,25,646	27.51
NRIs /OCB/Others	1,53,532	0.44
Clearing Members	1,27,656	0.37
Total	3,46,30,630	100.00

Distribution of Shareholding

The distribution of shareholding of the Company as on March 31, 2016 is noted below:

Range of Holding	No. of Shareholders	% on total no. of Shareholders	No. of Shares	% on issued shares
Upto - 500	16563	83.84	2609906	7.54
501 - 1000	1599	8.09	1347725	3.89
1001 - 2000	796	4.03	1238745	3.58

Report on Corporate Governance (*contd.*)

Range of Holding	No. of Shareholders	% on total no. of Shareholders	No. of Shares	% on issued shares
2001 - 3000	275	1.39	702254	2.03
3001 - 4000	123	0.62	444741	1.28
4001 - 5000	128	0.65	607388	1.75
5001 - 10000	155	0.78	1136480	3.28
10001- 50000	87	0.44	1763633	5.09
50001 - 100000	11	0.06	792077	2.29
100001 and above	19	0.10	23987681	69.27
Total	19756	100.00	34630630	100.00

Dematerialization of shares and liquidity as on March 31, 2016

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

99.99% equity shares of the Company have been dematerialized as on March 31, 2016.

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:

Company Secretary:

Mr. Sanjay Lal Gupta

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 :

CB Management Services Private Limited

P-22, Bondel Road, Kolkata-700019

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

Email:rta@cbmsl.com

Website: www.cbmsl.com

Place: Kolkata

Date: August 8, 2016

For and on behalf of the Board

Mahesh Mehra

DIN-00086683

Whole-time Director

Report on Corporate Governance (*contd.*)

CEO AND CFO Certification

To
The Board of Directors of
Kaushalya Infrastructure Development Corporation Limited
Kolkata

We Mahesh Mehra, Whole-time Director and Mr. Tarak Nath Mishra, Chief Financial Officer, of the Company, on the basis of the review of the financial statements and the cash flow statement for the year ended 31st March, 2016 and to the best of our knowledge and belief, hereby certify that :-

1. These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2016 which, are fraudulent, illegal or violative of the Company's Code of Conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which, we are aware and the steps we have taken or propose to take to rectify these deficiencies.
5. We have indicated to the Auditors and the Audit Committee that:
 - (a) there has been no significant changes in internal control over financial reporting during this year.
 - (b) there has been no significant changes in accounting policies during this year.
 - (c) there has been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control systems over financial reporting

Place: Kolkata
Dated: 8th August, 2016

Mahesh Mehra
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

We have examined the compliance of the conditions of Corporate Governance by Kaushalya Infrastructure Development Corporation Limited for the year ended 31st March, 2016, as stipulated in Clause 49 of Listing Agreement (for the 8month period ended on 30th November, 2015) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (for the 4 month period ended on 31st March, 2016) of the said company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above-mentioned the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Sd/-
Monu Jain
Proprietor
Membership No. 302721

Place: Kolkata
Date: The 8th day of August 2016

Standalone Financials

Independent Auditor's Report

To the Members of

KAUSHALYA INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying Standalone financial statements of **KAUSHALYA INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED** ("the company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the

audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March, 2016 its profit/loss and its cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure "A" a statement on the matters Specified in paragraphs 3 and 4 of the Order.

Independent Auditor's Report (contd.)

2. As required by section 143(3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement 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 Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of written representations received from the directors as on 31 March, 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to adequacy of internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in Annexure "B".
 - g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company discloses the impact of pending litigations on its financial position in its financial statements – Refer Note 25.1 and 25.9 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **MONU JAIN & COMPANY**
Chartered Accountants
Firm Registration No: 327900E

Monu Jain
Proprietor

Place: Kolkata

Date: 23rd May, 2016

Membership No: 302721

Annexure "A" to Independent Auditor's Report

(Referred to in Paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our Report of even date)

- 1) In respect of fixed assets:
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of the fixed assets in soft copy format.
 - b) According to the information and explanations given to us, fixed assets have been physically verified by the management in a phased periodical manner which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
 - 2)
 - c) Based upon the audit procedure performed and according to the records of the company, the title deeds of all the immovable properties are held in the name of the Company.
- As explained to us, the inventory has been physically verified at reasonable intervals during the year by the management. In our opinion, the frequency of verification is reasonable and there is no material discrepancies found during the previous year.

Annexure “A” to Independent Auditor’s Report (contd.)

- 3) According to information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties Covered in the register maintained under section 189 of the Companies Act 2013.
- 4) In our opinion and according to information and explanations given to us, the Company has not granted any loans or provided any guarantees or security to the parties cover under section 185 of the Act. In respect of investments made by the Company, the Provisions of section 186 of the Act have been complied with.
- 5) According to information and explanations given to us, the company has not accepted any deposit from the public during the year in terms of the provision of section 73 to 76 of the Act or any other relevant provisions of the Companies Act, 2013 and the rules made there under.
- 6) As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the Company.
- 7) In respect of Statutory due:
- a) According to the information and explanations given to us, the Company, on various instances has delayed the deposit of the undisputed statutory dues, including Provident Fund, employees state insurance, Income-tax, Tax deducted at sources, Tax collected at source, Professional Tax, Sales Tax, value added tax (VAT), Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it. According to the information and explanations given to us, undisputed amounts payable in respect of Service Tax ₹18,807,798/-, Provident Fund ₹5,168/- and ESI ₹ 11,171/- were outstanding as at 31st March, 2016 for a period of more than six month from the date they become payable.
- b) According to the information and explanations given to us, there is no amount disputed in respect of Income-tax, Value Added Tax, Sales Tax, Excise Duty, Custom Duty, Service Tax and Cess. The particulars of dues of Income Tax, Service Tax & VAT as at 31st March, 2016 which have not been deposited on account of dispute, are as follows:

Name of the Statute	Nature of Dues	Amount (in Lacs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act	Income tax	0.91	Asst. Year 2005-06	I.T. Appellate Tribunal
Income Tax Act	Income tax	28.47	Asst. Year 2007-08	I.T. Appellate Tribunal
Income Tax Act	Income tax	30.27	Asst. Year 2009-10	I.T. Appellate Tribunal
Income Tax Act	Income tax	37.61	Asst. Year 2010-11	I.T. Appellate Tribunal
Income Tax Act	Income tax	1.91	Asst. Year 2011-12	I.T. Appellate Tribunal
Income Tax Act	Income tax	51.43	Asst. Year 2012-13	Commissioner of Income Tax (Appeals)
Income Tax Act	Income tax	278.06	Asst. Year 2013-14	Commissioner of Income Tax (Appeals)
Income Tax Act	Interest on TDS & Late Fees	2.46	Asst. Year 2015-16	TDS Circle-II
Income Tax Act	Short Deduction of TDS & Late Fees	3.02	Asst. Year 2014-15	TDS Circle-II
Income Tax Act	Interest & Short Deduction of TDS & Late Fees	3.30	Asst. Year 2013-14	TDS Circle-II

Annexure “A” to Independent Auditor’s Report (contd.)

Name of the Statute	Nature of Dues	Amount (in Lacs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act	Interest on TDS	15.75	Asst. Year 2012-13	TDS Circle-II
The Central Excise Act,1944	Service Tax	421.84	From 1st april,2010-31st December 2012 under VCES	Service Tax Commissionerate,Kolkata
The WB.VAT Act, 2003	Vat	87.42	Financial Year 2006-07	Revision Board, Kolkata
The WB.VAT Act,2003	Vat	89.53	Financial Year 2007-08	Revision Board, Kolkata
The WB.VAT Act,2003	Vat	817.10	Financial Year 2008-09	Revision Board, Kolkata
The WB.VAT Act,2003	Vat	6.60	Financial Year 2009-10	Sr. Joint Commissioner Appeal, Kolkata
The WB.VAT Act,2003	Vat	0.35	Financial Year 2010-11	Sr. Joint Commissioner Appeal, Kolkata
The WB.VAT Act,2003	Vat	65.35	Financial Year 2011-12	Sr. Joint Commissioner Appeal, Kolkata

- 8) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the company has defaulted in repayment of loan & borrowings dues to bank. The bankers of the Company i.e. State Bank of India and Indian Overseas Bank have sent Demand Notice/Notice U/s. 13(2) of SARFAESI Act calling up the entire loan with outstanding interest. The company has not issued any debenture at balance sheet date.
- 9) The company has raised moneys by way of initial public offer in the financial year 2007-08.
- 10) In our opinion and according to the information and explanations given to us, no fraud on or by the Company by its officers or employees has been noticed or reported during the Year.
- 11) In our opinion, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- 12) In our opinion, the company is not a Nidhi Company. Therefore, the Provision of clause 3(xii) of the order are not applicable to the Company.
- 13) In our Opinion, all transactions with related parties are in compliance with sections 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.
- 14) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year, therefore the Provision of clause 3(xiv) of the order are not applicable to the Company under review.
- 15) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not entered into any non-cash transaction with directors or persons connected with him, therefore reporting under clause 3(xv) of the Order are not applicable.
- 16) In our opinion the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **MONU JAIN & COMPANY**
Chartered Accountants
Firm Registration No: 327900E

Monu Jain
Proprietor

Place: Kolkata
Date: 23rd May, 2016

Membership No: 302721

Annexure “B” to Independent Auditor’s Report (*contd.*)

(Referred to in Paragraph 2(f) under the heading “Report on Other Legal and Regulatory Requirements” of our Report of even date)

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 LIMITED** (“the company”) as of March 31, 2016 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 control over financial reporting criteria established by the Company considering the essential components of internal control stated in 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 company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be

prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both 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 was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance reading the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect

Annexure “B” to Independent Auditor’s Report (*contd.*)

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 authorization of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company’s assets that could have a materials effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting

may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016 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**

Chartered Accountants

Firm Registration No: 327900E

Monu Jain

Proprietor

Place: Kolkata

Date: 23rd May, 2016

Membership No: 302721

Balance Sheet as at 31st March, 2016

(Amount in ₹)

PARTICULARS	Note	As at	As at
		31st March, 2016	31st March, 15
EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	346,306,300	346,306,300
(b) Reserve & Surplus	4	(43,106,503)	504,438,344
		303,199,797	850,744,644
(2) Non-Current Liabilities			
(a) Deferred Tax Liabilities (Net)	29	5,235,593	5,717,508
(b) Other Long Term Liabilities	5	9,338,712	9,403,503
(c) Long Term Provisions	6	846,411	846,411
		15,420,716	15,967,422
(3) Current Liabilities			
(a) Short Term Borrowings	7	613,401,656	614,709,655
(b) Trade Payables	8	120,668,121	130,843,498
(c) Other Current Liabilities	9	113,955,288	111,893,192
(d) Short Term Provisions	10	64,049,355	64,049,355
		912,074,420	921,495,700
TOTAL		1,230,694,933	1,788,207,766
ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	11	35,386,915	39,809,680
(b) Non-Current Investments	12	641,463,699	172,055,115
(c) Long-Term Loans and Advances	13	150,471,161	638,205,655
		827,321,775	850,070,450
(2) Current Assets			
(a) Inventories	14	5,447,345	9,944,765
(b) Trade Receivables	15	266,286,093	779,639,664
(c) Cash & Cash Equivalents	16	9,162,667	16,040,540
(d) Short Term Loans and Advances	17	122,320,353	132,430,654
(e) Other Current Assets	18	156,700	81,692
		403,373,158	938,137,315
TOTAL		1,230,694,933	1,788,207,766
See accompanying notes forming part of the financial statements			
	1-33		

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

Proprietor

Membership No. 302721

Place : Kolkata

Date :23rd May, 2016

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

Statement of Profit and Loss for the year ended 31st March, 2016

(Amount in ₹)

PARTICULARS	Note	For the year ended 31st March, 2016	For the year ended 31st March, 15
1 Revenue from operations (gross)	19	6,353,258	60,848,398
Less: Service Tax		634,380	4,017,000
Revenue from operations (net)		<u>5,718,878</u>	<u>56,831,398</u>
2 Other income	20	<u>11,385,394</u>	<u>8,639,702</u>
3 Total revenue (1+2)		<u>17,104,272</u>	<u>65,471,100</u>
4 Expenses			
Cost of Material Consumed	21.a	17,222,368	18,064,580
Changes in Inventories of finished goods, work-in-progress and stock-in-trade	21.b	-	-
Employee benefits expense	22	6,339,804	7,341,445
Finance costs	23	(342,727)	65,750,012
Depreciation and amortisation expense	11	4,422,765	8,871,729
Other expenses	24	137,488,824	39,930,058
Provision for Doubtful Debts		400,000,000	-
Total expenses		<u>565,131,034</u>	<u>139,957,824</u>
5 Profit / (Loss) before tax (3 - 4)		<u>(548,026,762)</u>	<u>(74,486,726)</u>
6 Tax expense:			
Current tax expense for current year		-	-
Current tax expense relating to prior years		-	-
Deferred tax	29	(481,915)	(1,701,035)
		<u>(481,915)</u>	<u>(1,701,035)</u>
7 Profit / (Loss) for the year (5 - 6)		<u>(547,544,847)</u>	<u>(72,785,689)</u>
8 Earnings per share (of ₹ 10/- each):	28		
(a) Basic		(15.81)	(2.10)
(b) Diluted		(15.81)	(2.10)
See accompanying notes forming part of the financial statements	1-33		

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

Proprietor

Membership No. 302721

Place : Kolkata

Date :23rd May, 2016

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

Cash Flow Statement for the year ended 31st March, 2016

(Amount in ₹)

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
A. Cash flow from operating activities		
Net Profit / (Loss) before extraordinary items and tax	(548,026,762)	(74,486,726)
Adjustments for:		
Depreciation and amortisation	4,422,765	8,871,729
Finance costs	(342,727)	65,750,012
Interest income	(1,170,051)	2,909,987
Operating profit / (loss) before working capital changes	<u>(545,116,775)</u>	<u>(1,425,630)</u>
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	4,497,420	800,980
Trade receivables	513,353,571	(15,959,116)
Short-term loans and advances	10,311,044	41,432,473
Long-term loans and advances	9,693,138	(15,085,510)
Other current assets	<u>(75,008)</u>	<u>442,674</u>
	537,780,165	11,631,501
Adjustments for increase / (decrease) in operating liabilities:		
Other long term liabilities	-	-
Long term provisions	-	5,000
Trade payables	(10,175,377)	(63,866,662)
Other current liabilities	2,062,096	23,378,190
Short-term provisions	<u>-</u>	<u>-</u>
	(8,113,281)	(40,483,472)
Cash flow from extraordinary items	<u>-</u>	<u>-</u>
Cash generated from operations	(15,449,891)	(30,277,601)
Net income tax (paid) / refunds	(200,741)	(7,360,851)
Net cash flow from / (used in) operating activities (A)	<u>(15,650,632)</u>	<u>(37,638,452)</u>
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	-	(73,107)
Proceeds from sale of Fixed Assets	-	-
Bank balances not considered as Cash and cash equivalents		
- Placed	-	-
- Matured	4,679,877	5,076,047
Purchase of long-term investments		
- Others	(469,408,584)	(46,000)
Loans & Advances given		
- Subsidiaries & Step down subsidiaries	478,041,356	35,370,295
- Joint Ventures	(64,791)	(116,477)
Interest received		
- Others	1,170,051	1,560,646
Cash flow from extraordinary items	<u>-</u>	<u>-</u>
Net cash flow from / (used in) investing activities (B)	<u>14,417,909</u>	<u>41,771,404</u>

Cash Flow Statement for the year ended 31st March, 2016 (contd.)

(Amount in ₹)

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
C. Cash flow from financing activities		
IPO Share Application Money transferred	-	163,680
Net increase / (decrease) in working capital borrowings	(1,307,998)	61,125,580
Finance cost	342,727	(65,750,012)
Cash flow from extraordinary items	-	-
Net cash flow from / (used in) financing activities (C)	(965,271)	(4,460,752)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	(2,197,994)	(327,800)
Cash and cash equivalents at the beginning of the year	2,533,948	2,861,748
Cash and cash equivalents at the end of the year	335,954	2,533,948
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet (Refer Note 16)	9,162,667	16,040,538
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 <i>Cash Flow Statements</i>		
Deposit pledged with bank as security against borrowings	8,826,713	13,506,590
IPO refund account	-	13,506,590
Net Cash and cash equivalents (as defined in AS 3 <i>Cash Flow Statements</i>) included in Note 16	335,954	2,533,948
Add: Current investments considered as part of Cash and cash equivalents (as defined in AS 3 <i>Cash Flow Statements</i>)	-	-
Cash and cash equivalents at the end of the year *	335,954	2,533,948
* Comprises:		
(a) Cash on hand	205,582	2,474,869
(c) Balances with banks		
(i) In current accounts	130,372	59,079
(ii) In deposit accounts with original maturity of less than 3 months	-	-
	335,954	2,533,948

Notes:

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

See accompanying notes forming part of the financial statements

In terms of our report attached.

For and on behalf of the Board of Directors

For **Monu Jain & Company**

Firm Regn. No. 327900E

Chartered Accountants

Monu Jain

Proprietor

Membership No. 302721

Place : Kolkata

Date :23rd May, 2016

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

Notes forming part of the Financial Statements

Note 1: Corporate Information

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

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

Note 2: Significant Accounting Policies

2.1 Basis of accounting and preparation of financial statements:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The financial statements have been prepared on accrual basis under historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.2 Use of estimates

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

2.3 Inventories

The stock of raw materials, stores and spares, other construction materials and fuel are valued

at cost under FIFO method or net realizable value whichever is lower.

Work-in-progress is valued at cost.

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

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

2.5 Cash flow statement

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

2.6 Depreciation

i) Tangible Fixed Assets

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

2.7 Revenue recognition

Income from services

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

Notes forming part of the Financial Statements (contd.)

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

Contract Income

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

Income from Hotel

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

2.8 Other income

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

Hire Charges: Income from Hire Charges is recognized on accrual basis.

2.9 Tangible Fixed Assets

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

2.10 Investments

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

Investment in Lands are carried individually at cost plus revaluation thereon.

2.11 Employee Benefits

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

The provision for gratuity has not been made due to excess provision already made and also not paid to any gratuity fund.

2.12 Borrowing Costs

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

2.13 Segment reporting

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

2.14 Earnings per share

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

Notes forming part of the Financial Statements (contd.)

equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.15 Taxes on income

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

Deferred tax is recognized on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognized for all timing differences. Deferred tax assets are recognized for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realized. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognized only if there is virtual certainty that there will be sufficient future taxable income available to realise the assets.

2.16 Joint Venture Operations

In respect of contracts executed in Integrated Joint Ventures under profit sharing arrangement (assessed as AOP under Income tax laws), the services rendered to the Joint Ventures are accounted as income on accrual basis. The profit / loss is accounted for, as and when it is determined by the Joint Venture and the net investment in the Joint Venture is reflected as investments, loans & advances or current liabilities.

2.17 Impairment of assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value

in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

2.18 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements. However the management of the company had thought it prudent and had decided to make provision for doubtful debtors to the tune of approx. 60% or ₹40 crores in the current financial year.

2.19 Service Tax Input Credits

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

2.20 Operating Cycle

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

2.21 Advances to Subsidiaries& Associates:

The amount of ₹4,421,532/- in aggregate is standing as advance to its subsidiaries & step down subsidiaries at the balance sheet. The company has converted advance of ₹469,408,584/-, given to its subsidiaries & associates, into 10% Redeemable Non-cumulative Preference Shares of ₹10/- each during the year.

Notes forming part of the Financial Statements (contd.)

(Amount in ₹)

Note 3 : Share capital

Particulars	As at 31 March, 2016		As at 31 March, 2015	
	Number of shares	₹	Number of shares	₹
(a) Authorised				
Equity shares of ₹ 10/- each with voting rights	35,000,000	350,000,000	35,000,000	350,000,000
	35,000,000	350,000,000	35,000,000	350,000,000
(b) Issued				
Equity shares of ₹ 10/- each with voting rights	34,630,630	346,306,300	34,630,630	346,306,300
	34,630,630	346,306,300	34,630,630	346,306,300
(c) Subscribed and fully paid up				
Equity shares of ₹ 10/- each with voting rights	34,630,630	346,306,300	34,630,630	346,306,300
Total	34,630,630	346,306,300	34,630,630	346,306,300
Refer Notes (i) to (iii) below				

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

Particulars	Opening Balance	Fresh Issue	Other Changes	Closing Balance
Issued, Subscribed and Fully Paid-up				
<i>Equity shares with voting rights</i>				
Year ended 31 March, 2016				
- Number of shares	34,630,630	-	-	34,630,630
- Amount (Rs.)	346,306,300	-	-	346,306,300
Year ended 31 March, 2015				
- Number of shares	34,630,630	-	-	34,630,630
- Amount (Rs.)	346,306,300	-	-	346,306,300

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

Particular	As at 31 March, 2016		As at 31 March, 2015	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Class of shares / Name of shareholder				
<i>Equity shares with voting rights</i>				
Mahanti Engineers Pvt. Ltd.	5,082,600	14.68	5,082,600	14.68
Sunkissed Merchandise Pvt. Ltd.	5,022,900	14.50	5,022,900	14.50
Keleenworth Marketing Pvt. Ltd.	4,336,350	12.52	4,336,350	12.52
Total	14,441,850	41.70	14,441,850	41.70

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

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

Notes forming part of the Financial Statements (contd.)

(Amount in ₹)

Note 4: Reserves & Surplus

Particulars	As at 31 March, 2016	As at 31 March, 2015
(a) Securities premium account		
Opening balance	479,384,836	479,384,836
Add : Premium on shares issued during the year	-	-
Less : Utilised during the year for:	-	-
Closing balance	<u>479,384,836</u>	<u>479,384,836</u>
(b) Revaluation Reserve		
Opening balance	23,987,021	23,987,021
Add: Addition on revaluations during the year	-	-
Less: Utilised for set off against depreciation	-	-
Closing balance	<u>23,987,021</u>	<u>23,987,021</u>
(c) General Reserve		
Opening balance	24,500,000	24,500,000
Add: Transferred from surplus in Statement of Profit and Loss	-	-
Less: Utilised / transferred during the year for:	-	-
Closing balance	<u>24,500,000</u>	<u>24,500,000</u>
(d) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	(23,433,513)	49,352,176
Add: Profit / (Loss) for the year	(547,544,847)	(72,785,689)
Closing balance	<u>(570,978,360)</u>	<u>(23,433,513)</u>
Total	<u>(43,106,503)</u>	<u>504,438,344</u>

Note 5: Other Long Term Liabilities

Particulars	As at 31 March, 2016	As at 31 March, 2015
Advances from Related Parties		
Joint Venture & Associates	9,338,712	9,403,503
Total	<u>9,338,712</u>	<u>9,403,503</u>

Note 6: Long Term Provisions

Particulars	As at 31 March, 2016	As at 31 March, 2015
Provision for Employee Benefits - Gratuity	846,411	846,411
Total	<u>846,411</u>	<u>846,411</u>

Notes forming part of the Financial Statements (contd.)

(Amount in ₹)

Note 7: Short Term Borrowings

Particulars	As at 31 March, 2016	As at 31 March, 2015
Loans repayable on demand		
(a) Cash Credit From banks		
<i>Secured</i>		
(i) State Bank of India*	292,643,320	296,403,282
<i>(Secured by way of hypothecation of stock of raw material, work-in-progress, book debts and personal guarantee of directors and their relatives, collateral security of property of the company and group companies.)</i>		
(ii) Indian Overseas Bank	315,249,078	318,306,373
<i>(Secured by way of hypothecation of stock of raw material, work-in-progress, book debts and personal guarantee of directors and their relatives, collateral security of property of the company and group companies.)</i>		
(b) Southern Lease Finance Ltd.	5,509,258	—
<i>(Secured against Pledge of 74% existing stake held in subsidiaries & Associates)</i>		
Total	613,401,656	614,709,655

* Also refer Note 32(e)

Note 8: Trade Payables

Particulars	As at 31 March, 2016	As at 31 March, 2015
Trade Payables		
Acceptances	—	—
Other than Acceptances	120,668,121	130,843,498
Total	120,668,121	130,843,498

Note 9: Other Current Liabilities

Particulars	As at 31 March, 2016	As at 31 March, 2015
Statutory Remittances	19,159,896	20,087,258
Advances from customers/ contractors	94,795,392	91,805,934
Total	113,955,288	111,893,192

Note 10: Short Term Provisions

Particulars	As at 31 March, 2016	As at 31 March, 2015
Provision for Income-tax	63,614,019	63,614,019
Provision for FBT	435,336	435,336
Total	64,049,355	64,049,355

Notes forming part of the Financial Statements (contd.)

(Amount in ₹)

Particulars	Gross Block			Depreciation			Net Block			
	As at 01.04.2015	Additions	Deductions	Total	Upto 31.03.2015	For the Year	Sales/ Adjustments	Total	As at 31.03.2016	As at 31.03.2015
TANGIBLE ASSETS										
(a) Buildings										
Own use	9,993,919	-	-	9,993,919	1,990,221	154,053	-	2,144,274	7,849,645	8,003,698
Construction	107,298	-	-	107,298	107,298	-	-	107,298	-	-
Hotel	9,886,621	-	-	9,886,621	1,882,923	154,053	-	2,036,976	7,849,645	8,003,698
(b) Plant and Equipment										
Owned	65,467,460	-	-	65,467,460	34,160,614	4,037,728	-	38,198,342	27,269,118	31,306,846
Construction	64,671,342	-	-	64,671,342	33,397,768	4,035,891	-	37,433,660	27,237,682	31,273,574
Hotel	796,118	-	-	796,118	762,846	1,837	-	764,683	31,435	33,272
(c) Furniture & Fixtures										
Owned	4,762,632	-	-	4,762,632	4,415,069	172,138	-	4,587,207	175,425	347,563
Construction	2,005,586	-	-	2,005,586	1,658,023	172,138	-	1,830,161	175,425	347,563
Hotel	2,757,046	-	-	2,757,046	2,757,046	-	-	2,757,046	-	-
(d) Vehicles										
Owned	7,627,741	-	-	7,627,741	7,514,464	46,629	-	7,561,093	66,648	113,277
Construction	7,616,183	-	-	7,616,183	7,502,906	46,629	-	7,549,535	66,648	113,277
Hotel	11,558	-	-	11,558	11,558	-	-	11,558	-	-
(e) Office equipment										
Owned	1,034,312	-	-	1,034,312	996,016	12,216	-	1,008,232	26,080	38,296
Construction	997,762	-	-	997,762	959,466	12,216	-	971,682	26,080	38,296
Hotel	36,550	-	-	36,550	36,550	-	-	36,550	-	-
Total (Rs.)	88,886,064	-	-	88,886,064	49,076,384	4,422,765	-	53,499,149	35,386,915	39,809,680
Previous Year (Rs.)	88,812,957	73,107	-	88,886,064	40,204,655	8,871,729	-	49,076,384	39,809,680	48,608,302

Notes forming part of the Financial Statements (contd.)

(Amount in ₹)

Note 12: Non Current Investments

	FV	31-Mar-16		31-Mar-15	
		Nos.	₹	Nos.	₹
A. Trade Investments					
(a) Investment in Unquoted, fully paid-up Equity Shares of:-					
(i) Subsidiary Companies					
Bengal Kaushalya Nirman Ltd.	10	102,000	1,020,000	102,000	1,020,000
Bengal KDC Housing Development Ltd.	10	102,000	1,020,000	102,000	1,020,000
Kaushalya Energy Pvt. Ltd.	10	95,500	955,000	95,500	955,000
Total (A)		299,500	2,995,000	299,500	2,995,000
(ii) Associates					
Kaushalya Township Pvt. Ltd.	10	317,357	15,507,850	317,357	15,507,850
Kaushalya Nirman Pvt. Ltd.	10	46,000	1,940,000	46,000	1,940,000
Orion Abasaan Pvt. Ltd.	10	29,000	1,090,000	29,000	1,090,000
Total (B)		392,357	18,537,850	392,357	18,537,850
(iii) Others					
Balaji Turnkey Projects Solution (P) Ltd.	10	228,600	51,435,000	228,600	51,435,000
Enlightened Projects Ltd.	10	195,500	29,325,000	195,500	29,325,000
Orkay Engineering Ltd.	10	853,000	42,650,000	853,000	42,650,000
Flare Realty Engineering (P) Ltd.	10	2,600	26,000	2,600	26,000
Total (C)		1,279,700	123,436,000	1,279,700	123,436,000
(b) Investment in 10% Reemable Non-Cumulative Preference Shares of:					
Kaushalya Nirman Pvt. Ltd.	10	879,968	51,038,144	-	-
Kaushalya Township Pvt. Ltd.	10	3,498,630	199,421,910	-	-
Orion Abasaan Pvt. Ltd.	10	1,985,740	109,215,700	-	-
Total (D)		6,364,338	359,675,754	-	-
(c) Investment in 10% Redeemable Non-Cumulative Preference Shares of:					
Bengal KDC Housing Development Ltd.	10	10,973,283	109,732,830	-	-
Total (E)		10,973,283	109,732,830	-	-
Total (A) + (B) + (C) + (D) + (E)		19,309,178	614,377,434	1,971,557	144,968,850
(d) Investment in Land					
			26,607,000		26,607,000
			26,607,000		26,607,000
B. Other than Trade Investments					
Gold Coins [50 Gms. Each]		10	479,265	10	479,265
		10	479,265	10	479,265
Total			641,463,699		172,055,115
<i>Aggregate value of unquoted Investments</i>			614,377,434		144,968,850

Notes forming part of the Financial Statements (contd.)

(Amount in ₹)

Note 13: Long Term Loans and Advances

Particulars	As at 31 March, 2016	As at 31 March, 2015
Unsecured and considered good		
Security Deposits & Earnest Money Deposits	140,305,057	146,298,195
Advance to Body Corporates	5,744,572	9,444,572
Advances to related parties		
Subsidiary & Associates Companies	2,945,129	480,986,485
Step Down Subsidiaries	1,476,403	1,476,403
	150,471,161	638,205,655

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

Particulars	As at 31 March, 2016	As at 31 March, 2015
Other officers of the Company	-	108,985,241
Private companies in which any director is a director*	-	119,708,639
Private companies in which any director is a member*	-	204,441,228
	-	433,135,108

* The entire amount is due from subsidiaries companies.

Note 14: Inventories

Particulars	As at 31 March, 2016	As at 31 March, 2015
Raw Materials	1,333,760	5,826,143
Work in Progress		
– Construction Work in Progress	4,104,085	4,104,085
Stores & Spares	9,500	14,537
	5,447,345	9,944,765

Note 15: Trade Receivables

Particulars	As at 31 March, 2016	As at 31 March, 2015
Unsecured, considered good		
Overdue for a period exceeding six months	623,136,690	737,506,104
Other Trade receivables	43,149,403	42,133,560
	666,286,093	779,639,664
Less: Provision for Doubtful Debts	400,000,000	-
	266,286,093	779,639,664

Notes forming part of the Financial Statements (contd.)

(Amount in ₹)

Note 16: Cash and Cash Equivalents

Particulars	As at 31 March, 2016	As at 31 March, 2015
(a) Cash on hand (as certified by the management)	205,582	2,474,869
(b) Balances with banks		
(i) In current accounts	130,372	59,079
(ii) In earmarked accounts (Refer Note (i) below)		
Balances in Deposit Accounts held as margin money or security against borrowings, guarantees and other commitments (Refer Note (i) below)	8,826,713	13,506,590
Share application money received for allotment of securities and due for refund	—	—
	<u>9,162,667</u>	<u>16,040,538</u>
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is	335,954	2,533,948

Notes:

- (i) Includes deposits amounting to ₹ 7,073,057/- (As at 31 March, 2015 ₹ 1,744,007/-) which have an original maturity of more than 12 months.
- (ii) Includes interest of ₹ 6,06,481/-

Note 17: Short Term Loans and Advances

Particulars	As at 31 March, 2016	As at 31 March, 2015
Unsecured, considered good		
Advances to Suppliers & Subcontractors	357,604	10,316,172
Advances to Employees	202,463	461,381
Advance against Expenses	84,210	77,778
Balances with government authorities		
Income Tax Payments	121,409,914	121,209,173
Secured, considered good		
Prepaid Expenses	266,162	366,149
	<u>122,320,353</u>	<u>132,430,654</u>

Note 18: Other Current Assets

Particulars	As at 31 March, 2016	As at 31 March, 2015
Accruals		
Interest accrued on deposits	156,700	81,692
	<u>156,700</u>	<u>81,692</u>

Note 19: Revenue from Operations

Particulars	For the year Ended 31st March, 2016	For the year Ended 31st March, 2015
Sale of Services (Gross)		
Contract Receipts	6,015,563	60,833,560
Other Operating Revenues		
Profit from Hotel before depreciation & taxes(Refer Note 19A)	337,695	14,838
	6,353,258	60,848,398
Less: Service Tax	634,380	4,017,000
	<u>5,718,878</u>	<u>56,831,398</u>

Notes forming part of the Financial Statements (contd.)

(Amount in ₹)

NOTE 19A: PROFIT FROM HOTEL BUSINESS

PARTICULARS	For the Year Ended 31-Mar-16	For the Year Ended 31-Mar-15
REVENUE FROM OPERATIONS		
Food Sale	371,184	348,991
Room Rent	856,783	635,745
Service Income	-	-
Cultivation Income	287,200	249,955
Agricultural Income	-	170,000
Total (A)	1,515,167	1,404,691
EXPENDITURE		
Raw Food Purchased	258,299	209,462
Fuel (Cooking)	28,375	34,134
Repairs & Maintenance - Buildings	73,636	243,783
Transport Expenses	1,900	3,280
Stores	16,845	30,683
Employee Benefits		
Salary	99,900	107,400
Site Allowance	20,100	18,600
Administrative & Other Expenses		
Advertisement	600	-
Bank Charges	3,290	1,812
Books & Periodicals	1,583	1,880
Commission Charges	-	750
Electricity Charges	122,373	173,437
Cultivation Expenses	131,495	127,115
General Expenses	42,214	40,179
Gardening Expenses	39,244	97,332
Interest on Delay Payment of Vat	336	1,193
Insurance	11,800	-
Medical Expenses	150	150
Labour Charges incl. Allowances	204,200	194,300
Laundry Expenses	11,223	11,186
Legal & Professional Charges	-	-
Postage/Fax/Courier	590	910
Printing & Stationery	4,021	2,215
Prior period	159	
Rates & Taxes	8,750	18,150
Security Expenses	72,600	51,000
Subscription	8,351	7,552
Telephone Expenses	1,142	30
Travelling & Conveyance	14,296	13,320
Total (B)	1,177,472	1,389,853

Notes forming part of the Financial Statements (contd.)

(Amount in ₹)

Note 20: Other Income

Particulars	For the year Ended 31st March, 2016	For the year Ended 31st March, 2015
Interest Income		
Interest from Bank on Deposits	1,170,051	1,560,646
Income from Maintenance Work	-	2,650,000
Sundry Credit balance W/off	9,729,923	2,251,496
Hire Charges	480,000	2,087,000
Prior Period Income	-	7,200
Miscellaneous Income	5,420	83,360
	<u>11,385,394</u>	<u>8,639,702</u>
(Net of expenses directly attributable ₹ Nil Prev. Year ₹ Nil)		

Note 21.a : Cost of Material Consumed

Particulars	For the year Ended 31st March, 2016	For the year Ended 31st March, 2015
Opening stock	5,840,680	6,641,660
Add: Purchases	12,724,948	17,263,600
	<u>18,565,628</u>	<u>23,905,260</u>
Less: Closing stock	1,343,260	5,840,680
Cost of material consumed	<u>17,222,368</u>	<u>18,064,580</u>

Note 21.b: Changes in Inventories of Finished Goods, Work-in-Progress and Stock in Trade

Particulars	For the year Ended 31st March, 2016	For the year Ended 31st March, 2015
Inventories at the beginning of the year:		
Work-in-progress	4,104,085	4,104,085
	<u>4,104,085</u>	<u>4,104,085</u>
Less: Inventories at the end of the year:		
Work-in-progress	4,104,085	4,104,085
	<u>4,104,085</u>	<u>4,104,085</u>
Net (increase) / decrease	<u>-</u>	<u>-</u>

Note 22: Employee Benefit Expenses

Particulars	For the year Ended 31st March, 2016	For the year Ended 31st March, 2015
Salary, Allowances & Bonus	3,575,019	4,078,964
Directors' Remuneration	2,451,290	2,730,000
Contribution to PF, ESI & Other Funds	38,508	46,872
Staff Welfare	274,987	480,609
Employee Retirement Benefits	-	5,000
	<u>6,339,804</u>	<u>7,341,445</u>

Notes forming part of the Financial Statements (contd.)

(Amount in ₹)

Note 23: Finance Costs

Particulars	For the year Ended 31st March, 2016	For the year Ended 31st March, 2015
(a) Interest expense on:		
(i) Borrowings	(1,679,491)	62,246,790
(ii) Delayed/Deferred payment of taxes	70,154	182,524
(b) Other borrowing costs	1,266,610	3,320,698
	<u>(342,727)</u>	<u>65,750,012</u>

Note 24: Other Expenses

Particulars	For the year Ended 31st March, 2016	For the year Ended 31st March, 2015
Contract Operating Expenses		
Consumption of Stores & Spare Parts	126,921	2,086,582
Unrecoverable Works Contract	110,534,842	6,423,305
Hire Charges	17,860	73,650
Labour Charges & Allowances	4,940,230	16,732,028
Power & Fuel	244,937	493,367
Repairs & Maintenance- Machinery	388,000	1,185,275
Freight Charges	58,030	45,450
Service Tax	-	-
Works Contract Tax	397,586	520,041
	<u>116,708,406</u>	<u>27,559,698</u>
Administrative Expenses		
Rent	1,147,200	1,286,565
Rates & Taxes	704,987	554,743
Insurance	55,355	33,254
Consultancy & Professional Charges	1,215,051	1,164,301
Directors' Sitting Fee	140,500	157,500
Electricity Charges	264,692	271,203
Post, Telegraph, Telephone & Internet	307,909	527,715
Travelling & Conveyance	568,314	726,297
Printing & Stationery	620,524	357,156
Payment to Auditors		
- As Audit Fees	85,688	84,270
- As Tax Audit Fees	28,563	28,090
- For Certification	-	-
Prior Period Expenses	279,842	62,324
Miscellaneous Expenses	157,153	242,644
	<u>5,575,777</u>	<u>5,496,062</u>
Selling & Distribution Expenses		
Advertisement	131,185	142,915
Subscription	1,850	11,790
	<u>133,035</u>	<u>154,705</u>
Other Expenses		
Sundry Debit Balance W/Off	15,071,606	6,719,593
	<u>15,071,606</u>	<u>6,719,593</u>
Total	<u>137,488,824</u>	<u>39,930,058</u>

Notes forming part of the Financial Statements (contd.)

(Amount in ₹)

Note 25: Additional Information of the Financial Statements

Note 25.1. Contingent Liabilities and Commitments to the extent not provided for Amount (₹)

Sl. No.	Particulars		As on 31.03.2016	As on 31.03.2015
1.	a.	Performance guarantees issued by the banks to various Government Authorities, for which the Company has provided counter guarantee against which fixed deposit receipts have been pledged by the Company.	24,470,270	50,297,983
	b.	Performance Guarantee issued on behalf of other company against which fixed deposit receipts have been pledged by the Company.	8,674,000	8,674,000
	c.	Bank Interest Reversed	1,679,491	4,542,695
2.	Claims not acknowledged as debts			
	Income Tax Demand (Assessment Year 2005-06)		90,875	90,875
	Income Tax Demand (Assessment Year 2007-08)		2,846,864	2,846,864
	Income Tax Demand (Assessment Year 2009-10)		3,026,950	3,026,950
	Income Tax Demand (Assessment Year 2010-11)		3,761,030	3,761,030
	Income Tax Demand (Assessment Year 2011-12)		190,580	190,580
	Income Tax Demand (Assessment Year 2012-13)		5,142,880	5,142,880
	Income Tax Demand (Assessment Year 2013-14)		27,806,230	Nil

Note 25.2: Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

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

Note 25.3: Disclosures as per clause 32 of the listing agreement

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

The loans and advances in the nature of advances given by the company to its Subsidiaries and Associates, amounts to ₹ 4,421,532/-, in aggregate as on 31st March 2016. The details of the same have been provided below:

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

Sl. No.	Name of the Subsidiary	Balance as at 31.03.2016	Maximum Balance 2015-16	Balance as at 31.03.2015	Maximum Balance 2014-15
1	Bengal KaushalyaNirman Ltd.	Nil	Nil	Nil	40,600
2	Bengal KDC Housing Development Ltd.	2,945,129	118,232,236	118,232,236	119,131,586
3	Kaushalya Energy (P) Ltd.	Nil	Nil	Nil	2,600
4	KaushalyaNirman (P) Ltd.	Nil	51,038,180	49,327,780	58,876,430
5	Azur Solar KDC (P) Ltd.	1,476,403	1,476,403	1,476,403	1,476,403
6	Kaushalya Township (P) Ltd.	Nil	204,446,228	204,441,222	225,922,822
7	Orion Abasaan (P) Ltd.	Nil	108,990,241	108,985,241	112,391,707

The company has converted advance of ₹ 469,408,584/-, given to its subsidiaries & associates, into 10% Redeemable Non-cumulative Preference Shares of ₹ 10/- each during the year.

Notes forming part of the Financial Statements (contd.)

(Amount in ₹)

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

Name of the subsidiary	As at 31 March, 2016	As at 31 March, 2015
	₹	₹
	Nil	Nil

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

	For the year Ended 31st March, 2016	For the Year Ended 31st March, 2015
Traveling and Conveyance	Nil	Nil
Loss in repayment of Term Loan	Nil	Nil

25.5 : Details of consumption of imported and indigenous items

Particulars	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
	Amount (Rs.)	%	Amount (Rs.)	%
Indigenous				
Raw Material	17,222,368	100	18,064,580	100
Components	Nil	Nil	Nil	Nil
Spare Parts	126,921	100	2,086,522	100
Imported				
Raw Material	Nil	Nil	Nil	Nil
Components	Nil	Nil	Nil	Nil
Spare Parts	Nil	Nil	Nil	Nil

Note 25.6: Earning in foreign exchange (net of TDS): Nil**Note 25.7: Amount remitted in foreign currency during the year on account of dividend: Nil****Note 25.8: Current assets**

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

a. Outstanding Sundry debtors:

Out of total Sundry Debtors (Net of Provision) of ₹ 266,286,093/-, an amount of ₹ 195,715,310/- is outstanding since long, and out of which several debtors are under dispute.

Note 25.9: Statutory Compliances

The following areas are of concern:

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

- i. The company opted for the VCES, 2013 for the service tax payable corresponding to the period from April' 2009 to December' 2012. The total liability of the service tax for the said period stood to ₹ 15,943,004/-, payable in two equal installments on or before 31st Dec, 2013 and 30th June, 2014 respectively. The company has paid ₹ 7,972,657/- i.e 50% of declared liability till date. In, the mean time, the Company has received a show cause cum demand notice from Service Tax Commissionerate, Kolkata for ₹ 42,184,307/- for the said period. However, the hearing of the matter is still pending.
- ii. An amount of ₹ 1,401,229/- has been shown as Service Tax accrued but not due for payment. This amount comprises of the tax accrued on or before 1st July, 2011, which is to be paid on receipt basis, but not paid till date as no payment has been recovered from the debtors against the same since F.Y. 2010-11. The same has been written off in the current year.

Notes forming part of the Financial Statements (contd.)

(Amount in ₹)

Note 25.10: Dilution of holding:

During the current financial year, one of its subsidiary Bengal KDC Housing Development Ltd. diluted its holding in another subsidiary i.e. Kaushalya Township (P) Ltd. from 5.22% to 0.03%. By virtue of this Kaushalya Township (P) Ltd. cease to be subsidiary and becomes associate during the year.

Note 25.11: Fixed Deposits:

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

Note 25.12: Interest on credit cards:

The company has paid interest to the tune of Rs. 161,076/- on delayed payment of credit cards of the directors.

Note 26: During the year borrowing cost is not capitalized.

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

Related Party Disclosures as required by AS 18 issued by the ICAI

I. Parties Where Control Exists

Subsidiaries

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

Step Down Subsidiaries

- 4 Azur Solar KDC (P) Ltd.

II. Joint Ventures

Jointly Controlled Entities

- 1 New Asian Construction Co.

III. Associates

- 1 Kaushalya Nirman Pvt Limited
- 2 Orion Abasaan Pvt Limited
- 3 Kaushalya Township Pvt Limited

IV. Key Management Personnel :

- 1 Mr. Prashant Mehra, Managing Director (Resigned on 23-12-2015)
- 2 Mr. Ramesh Kumar Mehra, Chairman (Resigned on 29-09-2015)
- 3 Mr. Mahesh Mehra, Whole-Time Director
- 4 Mr. Parag Keshar Bhattacharjee, Independent Director
- 5 Mr. Anil Kumar Agarwal, Independent Director
- 6 Mrs. Minoti Nath, Women Independent Director

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

a) Relatives of Key Management Personnel :

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

Notes forming part of the Financial Statements (contd.)

(Amount in ₹)

VI. Transactions with Related Parties

Sl. No.	Type of Transactions	2015-16			2014-15		
		Subsidiaries/ Associates/JV	Key Mgt Personnel	Relatives of KMP	Subsidiaries/ Associates/JV	Key Mgt Personnel	Relatives of KMP
(a)	Valued of Services Received	-	2,459,790	960,000	-	2,770,500	960,000
	Directors Remuneration						
	- Prashant Mehra		1,311,290			1,590,000	
	- Mahesh Mehra		1,140,000			1,140,000	
	Sitting Fees						
	- Ramesh Mehra		8,500			40,500	
	Salary						
	- Kartik Mehra			480,000			480,000
	- Karan Mehra			480,000			480,000
(b)	Rent Paid			600,000	-	-	600,000
	Rent						
	- Neeru Mehra			600,000			600,000
(c)	Investment in 10% Redeemable Non-Cumulative Preference Shares on conversion of advance	469,408,584	-	-	-	-	-
	Bengal KDC Housing Dev. Ltd.	109,732,830	-	-	-	-	-
	Kaushalya Nirman (P) Ltd.	51,038,144	-	-	-	-	-
	Kaushalya Township (P) Ltd.	199,421,910	-	-	-	-	-
	Orion Abasaan (P) Ltd.	109,215,700	-	-	-	-	-
(d)	Advances Given	2,751,814	-	-	12,643,477	-	-
	Bengal Kaushalya Nirman Ltd.	-			2,600		
	Bengal KDC Housing Dev. Ltd.	500,600			3,250		
	Kaushalya Energy (P) Ltd.	-			2,600		
	Kaushalya Nirman (P) Ltd.	1,854,964			1,350		
	Kaushalya Township (P) Ltd.	95,000			11,344,950		
	Orion Abasaan (P) Ltd.	236,459			571,650		
	Azur Solar KDC (P) Ltd.	-			600,600		
	KIDCO NACC JV	64,791			116,477		
(e)	Advances Taken	11,319,795	-	-	47,897,295	-	-
	Bengal Kaushalya Nirman Ltd.	-			40,600		
	Bengal KDC Housing Dev. Ltd.	6,054,877			900,000		
	Kaushalya Energy (P) Ltd.	-			2,600		
	Kaushalya Nirman (P) Ltd.	144,600			9,550,000		
	Kaushalya Township (P) Ltd.	5,114,318			32,826,544		
	Orion Abasaan (P) Ltd.	6,000			3,978,116		
	Azur Solar KDC (P) Ltd.	-			599,435		
(f)	Balance Receivable as at 31.03.2016	4,421,532	-	-	482,462,888	-	-
	Bengal KDC Housing Dev. Ltd.	2,945,129			118,232,236		
	Kaushalya Nirman (P) Ltd.	-			49,327,780		
	Kaushalya Township (P) Ltd.	-			204,441,228		
	Orion Abasaan (P) Ltd.	-			108,985,241		
	Azur Solar KDC (P) Ltd.	1,476,403			1,476,403		
(g)	Balance Payable as at 31.03.2016	9,338,712	-	-	9,403,503	-	-
	KIDCO NACC JV	9,338,712			9,403,503		

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

Notes forming part of the Financial Statements (contd.)

(Amount in ₹)

Note 28: Earning Per Shares Year Ended 31.03.2016

	Continuing Operations				Discontinuing Operations				Total Operations			
	Before Extraordinary and Exceptional Items		After Extraordinary and Exceptional Items		Before Extraordinary and Exceptional Items		After Extraordinary and Exceptional Items		Before Extraordinary and Exceptional Items		After Extraordinary and Exceptional Items	
	Basic	Diluted	Basic	Diluted	Basic	Diluted	Basic	Diluted	Basic	Diluted	Basic	Diluted
Face Value of Shares	10	10	10	10	10	10	10	10	10	10	10	10
Profit attributable to Eq. Shareholders	(547544847)	(547544847)	(547544847)	(547544847)	0	0	0	0	(547544847)	(547544847)	(547544847)	(547544847)
Weighted Average No. of Shares	34630630	34630630	34630630	34630630	34630630	34630630	34630630	34630630	34630630	34630630	34630630	34630630
EPS (Rs.)	(15.81)	(15.81)	(15.81)	(15.81)	-	-	-	-	(15.81)	(15.81)	(15.81)	(15.81)

Year Ended 31.03.2015

	Continuing Operations				Discontinuing Operations				Total Operations			
	Before Extraordinary and Exceptional Items		After Extraordinary and Exceptional Items		Before Extraordinary and Exceptional Items		After Extraordinary and Exceptional Items		Before Extraordinary and Exceptional Items		After Extraordinary and Exceptional Items	
	Basic	Diluted	Basic	Diluted	Basic	Diluted	Basic	Diluted	Basic	Diluted	Basic	Diluted
Face Value of Shares	10	10	10	10	10	10	10	10	10	10	10	10
Profit attributable to Eq. Shareholders	(72785689)	(72785689)	(72785689)	(72785689)	0	0	0	0	(72785689)	(72785689)	(72785689)	(72785689)
Weighted Average No. of Shares	34630630	34630630	34630630	34630630	34630630	34630630	34630630	34630630	34630630	34630630	34630630	34630630
EPS (Rs.)	(2.10)	(2.10)	(2.10)	(2.10)	-	-	-	-	(2.10)	(2.10)	(2.10)	(2.10)

Note 29 : Deferred Tax Assets/ (Liability)

	31.03.2016		31.03.2015	
	Timing Difference		Timing Difference	
On Account of Depreciation - Net Block as per I T Act - Net Block as per Cos. Act	17,596,844 35,386,916	(17,790,072)	20,465,013 39,809,680	(19,344,668)
On Account of Employee Benefits		841,411		841,411
		(16,943,661)		(18,503,257)
Effective Rate of Tax		30.90%		30.90%
Deferred Tax Asset/(Liability)		(5,235,591)		(5,717,507)
Less: Deferred Tax Liability b/f		(5,717,507)		(7,418,542)
Deferred Tax Provision		(481,915)		(1,701,035)

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

Notes forming part of the Financial Statements (contd.)

(Amount in ₹)

Note 30: Interests in Joint Ventures

Name of the JV and country of origin	% of Share-holding	Amount of interest based on the accounts for the year ended 31st March, 2016					
		Assets	Liabilities	Income	Expenditure	Contingent Liabilities	Capital Commitments
New Asian Construction Co., India	90%	10,437,813	11,464,764	-	22,484	Nil	Nil
(Prev. Year)		(10,490,402)	(11,494,869)	-	(124,822)	(Nil)	(Nil)

Note 31: Details of Provisions

Particulars	For the year ended 31.03.2016		For the year ended 31.03.2015	
	Provision for Current Tax	Deferred Tax Liability	Provision for Current Tax	Deferred tax Liability
Balance at the beginning of the year	63,614,019	5,717,507	63,614,019	7,418,542
Provision made during the year	Nil	(481,915)	Nil	(1,701,035)
Paid/Adjusted during the year	Nil	Nil	Nil	Nil
Balance at the end of the year	63,614,019	5,235,593	63,614,019	5,717,507

Note 32: Other information:

- Projects in hand:
The company is having two major projects, Mega Housing project for EWS, LIG & MIG through PPP in Sardarsahar, Rajasthan from Rajasthan AvastVikas & Infrastructure Ltd. of ₹ 51.66 Cr & Construction of Swarigarh SHP from Utrakhand Jal Vidyut Nigam (awarded to KIDCO-NACC Consortium) contract value ₹ 14.83 Cr. However the projects are either pending clearances or are stopped due to shortage of funds.
- Work order received from Power Department, Sikkim of ₹ 4,55,20,000/- in the year 2004-05. The company has completed the work to the tune of ₹ 2,92,43,450/- but it has not been certified by the said department and subsequently no payment has been released by them against the aforesaid work done. The reason for not receiving the funds as stated by the management is due to non availability of fund under the APDRP scheme (the scheme of the project) in Sikkim.
- The Company had filed a claim with their client NPCC Ltd. the client in turn raised the claim to their principal NTPC and entered into arbitration via P.M.A. The arbitration has awarded a claim of ₹ 8,55,23,452/- against a demand of ₹ 77,66,336/- and against this award the principal has appealed before the Secretary of the P.M.A. As per term the claim received by NPCC shall be passed on to the company after deduction of their margins as per MOU.
- The Company had filed a claim with their client NHAI and which entered into arbitration. The arbitration has awarded a claim of ₹ 64,903,981/- plus interest.
- It is also observed that the company has few debtors under dispute and in case where any order is received against the said claims, the company may prefer further appeal to the higher authority. With the same in view the management of the company had thought it prudent and had decided to make provision for doubtful debtors to the tune of approx. 60% or ₹ 40 crores in the current financial year.
- The bankers of the Company i.e. State Bank of India and Indian Overseas Bank have sent Demand Notice/Notice U/s. 13(2) of SARFAESI Act calling up the entire loan with outstanding interest. Management has approached the bankers for amicable settlement of loans.

Note 33: Previous Year Figures

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

In terms of our report attached.

For and on behalf of the Board of Directors

For Monu Jain & Company

Firm Regn. No. 327900E

Chartered Accountants

Monu Jain

Proprietor

Membership No. 302721

Place : Kolkata

Date : 23rd May, 2016

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

Consolidated Financials

Independent Auditor's Report

To The Members of

KAUSHALYA INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated financial statements of **KAUSHALYA INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED** ("the Company), its Subsidiaries and Associates which comprise the Consolidated Balance Sheet as at 31 March 2016, the Consolidated Profit and Loss Statement, and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act as applicable. The respective Board of Directors of the Company and its subsidiary companies are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 these consolidated financial statements by the Board of Directors of the Company.

Auditor's Responsibility

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

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to

be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal financial controls relevant to the Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements. /and the audit evidence obtained by the other auditors referred to in the 'Other Matter' paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2016 and its consolidated profit and its consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

- a) We have sought and obtained all the information and explanations which to the best of our

Independent Auditor's Report (*contd.*)

knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

- b) In our opinion, proper books of account as required by law relating to preparation of the consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, as applicable.
- e) On the basis of the written representations received from the Directors of the Company as on March 31, 2016, taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the Directors of the Group companies, incorporated in India is disqualified as on March 31, 2016 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 and the operating effectiveness of such controls, refer to our report in "Annexure A", which is based on the Auditors' Reports of the Company and its subsidiary companies incorporated in India.

Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Company and its subsidiary companies incorporated in India.

- g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - I. The Group has disclosed the impact of pending litigations on the consolidated financial position of the Group in its consolidated financial statements as of March 31, 2016.
 - II. The Group has made provisions in its consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses on long term contracts including derivative contracts.
 - III. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India.

For **MONU JAIN & COMPANY**
Chartered Accountants
Firm Registration No: 327900E

Monu Jain
Proprietor
Place: Kolkata
Date: 23-05-2016
Membership No: 302721

Annexure "A" Consolidated Independent Auditor's Report

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 Limited ('the Company') and its subsidiary companies incorporated in India as at March 31, 2016 in conjunction with our audit of the consolidated financial statements of the Company for

the year ended and as on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Company and its subsidiary companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the respective internal control over financial reporting criteria established by the Company and its subsidiary companies incorporated in India 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

Annexure “A” Independent Auditor’s Report (*contd.*)

of Chartered Accountants of India (the ‘Guidance Note’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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 Act.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act and the Guidance Note, to the extent applicable to an audit of internal financial controls over financial reporting. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies incorporated in India, in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Company and its subsidiary companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company and its subsidiary companies incorporated in India considering the essential components of internal control stated in the Guidance Note.

For **MONU JAIN & COMPANY**

Chartered Accountants

Firm Registration No: 327900E

Monu Jain

Proprietor

Place: Kolkata

Date: 23-05-2016

Membership No: 302721

Balance Sheet as at 31st March, 2016

(Amount in ₹)

PARTICULARS	Note	As at	
		31st March, 2016	31st March, 2015
EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	346,306,300	346,306,300
(b) Reserve & Surplus	4	(45,604,546)	500,290,861
		300,701,754	846,597,161
(2) Non-Current Liabilities			
(a) Long Term Borrowings	5	-	1,000,000
(b) Deferred Tax Liabilities (Net)	31	5,235,592	5,717,507
(c) Other Long Term Liabilities	6	933,871	100,040,350
(d) Long Term Provisions	7	846,411	846,411
		7,015,874	107,604,268
(3) Current Liabilities			
(a) Short Term Borrowings	8	613,401,656	614,709,655
(b) Trade Payables	9	121,166,032	131,102,188
(c) Other Current Liabilities	10	125,394,627	124,484,918
(d) Short Term Provisions	11	64,049,355	64,069,349
		924,011,670	934,366,110
(4) Minority Interest		1,328,428	21,410,422
TOTAL		1,233,057,727	1,909,977,961
ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	12	36,200,836	437,200,531
(b) Non-Current Investments	13	528,781,440	153,718,339
(c) Long-Term Loans and Advances	14	151,528,379	367,977,364
(d) Other Non Current Assets	15	1,798,462	1,798,462
		718,309,117	960,694,696
(2) Current Assets			
(a) Inventories	16	5,447,345	9,944,765
(b) Trade Receivables	17	376,380,825	779,639,664
(c) Cash & Cash Equivalents	18	10,061,056	25,095,127
(d) Short Term Loans and Advances	19	122,702,684	134,522,018
(e) Other Current Assets	20	156,700	81,692
		514,748,610	949,283,266
TOTAL		1,233,057,727	1,909,977,961
See accompanying notes forming part of the financial statements	1-35	(0.36)	0.03

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

Proprietor

Membership No. 302721

Place : Kolkata

Date :23rd May, 2016

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

Statement of Profit and Loss for the year ended 31st March, 2016

(Amount in ₹)

PARTICULARS	Note	For the year ended 31st March, 2016	For the year ended 31st March, 2015
1 Revenue from operations (gross)	21	6,353,258	60,848,398
Less: Service Tax		634,380	4,017,000
Revenue from operations (net)		5,718,878	56,831,398
2 Other income	22	12,396,823	9,166,069
3 Total revenue (1+2)		18,115,701	65,997,466
4 Expenses			
Cost of Material Consumed	23.a	17,222,368	18,064,580
Changes in Inventories of finished goods, work-in-progress and stock-in-trade	23.b	-	-
Employee benefits expense	24	6,339,804	7,341,445
Finance costs	25	(335,157)	65,886,729
Depreciation and amortisation expense	12	4,662,532	9,111,496
Other expenses	26	138,265,889	40,167,732
Provision for Doubtful Debts		400,000,000	-
Total expenses		566,155,435	140,571,983
5 Profit / (Loss) before tax (3 - 4)		(548,039,734)	(74,574,516)
6 Tax expense:			
Current tax expense for current year		-	-
Current tax expense relating to prior years		2,292	-
Deferred tax	31	(481,915)	(1,701,036)
		(479,623)	(1,701,036)
7 Profit / (Loss) for the year (5 - 6)		(547,560,111)	(72,873,480)
8 Less: Minority Interest		2,863	6,818
Add: Share of Profit in Associate		8,097	2,674
7 Profit / (Loss) for the year (5 - 6)		(547,554,877)	(72,877,625)
8 Earnings per share (of ₹10/- each):	30		
(a) Basic		(15.81)	(2.10)
(b) Diluted		(15.81)	(2.10)
See accompanying notes forming part of the financial statements	1-35		

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

Proprietor

Membership No. 302721

Place : Kolkata

Date :23rd May, 2016

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

Cash Flow Statement for the year ended 31st March, 2016

(Amount in ₹)

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
A. Cash flow from operating activities		
Net Profit / (Loss) before extraordinary items and tax	(548,039,734)	(74,574,516)
Adjustments for:		
Depreciation and amortisation	4,662,532	9,111,496
Amortization of Preliminary expenses	-	(1,792,428)
Finance costs	(335,157)	65,886,729
Interest income	(1,170,051)	3,157,323
Operating profit / (loss) before working capital changes	(544,882,410)	(2,929,365)
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	4,497,420	800,980
Trade receivables	403,258,839	(15,959,116)
Short-term loans and advances	11,911,041	39,833,916
Long-term loans and advances	6,714,388	(13,706,760)
Other current assets	(75,008)	442,673
Adjustments for increase / (decrease) in operating liabilities:		
Other long term liabilities	(99,100,000)	(3,300,000)
Long Term Borrowing	(1,000,000)	-
Long term provisions	-	5,000
Trade payables	(9,936,156)	(63,840,095)
Other current liabilities	2,049,811	34,817,814
Short-term provisions	-	-
Cash flow from extraordinary items	-	-
Cash generated from operations	(226,562,075)	(23,834,952)
Net income tax (paid) / refunds	(113,994)	(7,595,693)
Net cash flow from / (used in) operating activities (A)	(226,676,069)	(31,430,645)
B. Cash flow from investing activities		
Capital expenditure on fixed assets	-	(809,406)
Capital advance	37,735,474	52,380,000
Proceeds from sale/transfer of Fixed Assets	115,994,373	-
Bank balances not considered as Cash and cash equivalents		
- Placed	-	-
- Matured	4,679,877	5,076,047
Purchase of long-term investments		
- Others	(375,063,101)	(3,179,074)
Loans & Advances given		
- Associates & Enterprise under significant influence	170,859,021	(132,793,513)
- Joint Ventures	(6,479)	(8,579,630)
Interest received		
- Others	1,170,051	1,560,646
Adjustment for change in Subsidiaries to Associates	280,226,066	117,063,839
Net cash flow from / (used in) investing activities (B)	235,595,282	30,718,910

Cash Flow Statement for the year ended 31st March, 2016 (contd.)

(Amount in ₹)

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
C. Cash flow from financing activities		
IPO Share Application Money transferred	-	163,680
Share issued to Minority Shareholders & Capital Reserve	(18,300,565)	8,003,651
Net increase / (decrease) in working capital borrowings	(1,307,998)	61,125,580
Finance cost	335,157	(65,886,729)
Cash flow from extraordinary items	-	-
Net cash flow from / (used in) financing activities (C)	(19,273,406)	3,406,182
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	(10,354,193)	2,694,446
Cash and cash equivalents at the beginning of the year	11,588,535	8,894,089
Cash and cash equivalents at the end of the year	1,234,343	11,588,535
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet (Refer Note 16)	10,061,056	25,095,125
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements		
Deposit pledged with bank as security against borrowings	8,826,713	13,506,590
IPO refund account	-	-
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 16	1,234,343	11,588,535
Add: Current investments considered as part of Cash and cash equivalents (as defined in AS 3 Cash Flow Statements)	-	-
Cash and cash equivalents at the end of the year *	1,234,343	11,588,535
* Comprises:		
(a) Cash on hand	992,032	6,099,087
(c) Balances with banks		
(i) In current accounts	242,311	5,489,448
(ii) In deposit accounts with original maturity of less than 3 months	-	-
	1,234,343	11,588,535

Notes:

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

See accompanying notes forming part of the financial statements

In terms of our report attached.

For and on behalf of the Board of Directors

For Monu Jain & Company

Firm Regn. No. 327900E

Chartered Accountants

Monu Jain

Proprietor

Membership No. 302721

Place : Kolkata

Date :23rd May, 2016

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

Notes forming part of the Financial Statements

Note 1: Corporate Information

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

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

Note 2: Significant Accounting Policies

2.1 Principles of Consolidation

The Consolidated Financial Statements relate to Kaushalya Infrastructure Development Corporation Limited ("the company") and its subsidiary companies, associates & joint ventures. The consolidated financial statements have been accounted for in accordance with Accounting Standard 21-Consolidated Financial Statements, Accounting Standard 23-Accounting for Investments in Associates in Consolidated Financial Statements and Accounting Standard 27- Financial Reporting of Interests in Joint Ventures respectively of the Companies Accounting Standards (Rules), 2014. The Consolidated Financial Statements are prepared on the following basis:-

- i. Subsidiary companies are consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra group transactions and also unrealized profit or loss, except where cost cannot be recovered. The results of operations of a subsidiary are included in the consolidated financial statements from the date on which the

parent subsidiary relationship came into existence.

- ii. Interests in the assets, liabilities, income and expenses of the Joint Ventures are consolidated using proportionate consolidation method. Intra group balances, transactions and unrealized profit/loss are eliminated to the extent of the Company's proportionate share, except where cost cannot be recovered.
- iii. The difference between the cost to the investment in Subsidiaries and Joint Ventures and the proportionate share in the equity of the investee company as at the date of acquisition of stake is recognized in the consolidated financial statements as Goodwill or Capital Reserve, as the case may be. Goodwill arising on consolidation is tested for impairment annually.
- iv. Minorities' interest in net profits/Loss of consolidated subsidiaries for the year is identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Company. Their share of net assets is identified and presented in the Consolidated Balance Sheet separately. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of the contractual obligation on the minorities, the same is accounted for by the holding company.
- v. Investments in Associates are accounted for using the equity method, under which the investment is initially recorded at cost, identifying any goodwill/ capital reserve arising at the time of acquisition. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of the Associate, after eliminating unrealised profit or losses resulting from transactions between the company and its associates to the extent of its share,

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

through its Consolidated Profit and Loss Statement, to the extent such change is attributable to the associates' Profit and Loss Statement and through its reserves for the balance based on available information. Where the associate prepares and presents consolidated financial statements, such consolidated financial statements of the associate are used for the purpose of equity accounting. In other cases, standalone financial statements of associates are used for the purpose of consolidation.

- vi. As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's standalone financial statements. Differences in accounting policies are disclosed separately.
- vii. The financial statements of the entities used for the purpose of consolidation are

drawn up to same reporting date as that of the Company i.e. year ended March 31, 2015.

- viii. As per Accounting Standard 21- Consolidated Financial Statements notified by Companies (Accounting Standards) Rules, 2014, only the notes involving items which are material need to be disclosed. Materiality for this purpose is assessed in relation to the information contained in the consolidated financial statements. Further, additional statutory information disclosed in separate financial statements of the subsidiary and/or the parent having no bearing on the true and fair view of the consolidated financial statements is not disclosed in the consolidated financial statements.

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

Name of the company	Country of Incorporation	Relationship	Percentage of Ownership Interest directly and indirectly	
			31st March, 2016	31st March, 2015
Bengal Kaushalya Nirman Ltd.	India	Subsidiary	51%	51%
Bengal KDC Housing Development Ltd.	India	Subsidiary	51%	51%
Kaushalya Energy (P) Ltd.	India	Subsidiary	95.50%	95.50%
Azur Solar KDC Pvt. Ltd. (Subsidiary of Kaushalya Energy (P) Ltd.)	India	Step down Subsidiary	55% of 99%	55% of 99%
Kaushalya Township (P) Ltd.	India	Associates	48.72%	53.90%
Kaushalya Nirman (P) Ltd.	India	Associates	46.00%	46.00%
Orion Abasaan (P) Ltd.	India	Associates	48.33%	48.33%
KIDCO NACC – Consortium	Uncorporated	JV Entity	90%	90%

Notes forming part of the Financial Statements

(Amount in ₹)

2.2 Basis of accounting and preparation of financial statements:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The financial statements have been prepared on accrual basis under historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.3 Use of estimates

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

2.4 Inventories

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

Work-in-progress is valued at cost.

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

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

cash and which are subject to insignificant risk of changes in value.

2.6 Cash flow statement

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

2.7 Depreciation

i) Tangible Fixed Assets

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

2.8 Revenue recognition

Income from services

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

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

Contract Income

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,

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

(Amount in ₹)

the company takes the certified portion of the previously uncertified revenue in the turnover and deducts the same amount from the uncertified portion of the revenue of the respective financial year.

Income from Hotel:

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

2.9 Other income

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

Hire Charges: Income from Hire Charges is recognized on accrual basis.

2.10 Tangible Fixed Assets

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

2.11 Investments

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

Investment in Lands are carried individually at cost plus revaluation

thereon.

2.12 Employee Benefits

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

The provision for gratuity has not been made due to excess provision already made and also not paid to any gratuity fund.

2.13 Borrowing Costs

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

2.14 Segment reporting

The Company has identified two reportable segments viz. Construction & Hotel. Segments have been identified and reported taking into account nature of products and services, the differing risks and returns and the internal business reporting systems. In so far as geographical segment is concerned, the company is carrying out its business only in domestic markets. Therefore, there are no separately identifiable geographical segments. The accounting policies adopted for segment reporting are in line with the accounting policy of the Company with following additional policies for segment reporting.

- a) 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".
- b) 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 Financial Statements

(Amount in ₹)

SEGMENTAL REPORTING AS PER AS 17 ISSUED BY THE ICAI

Particulars	2015-16			2014-15		
	Construction	Hotel	Total	Construction	Hotel	Total
Segment Revenue	16,761,157	1,515,167	18,276,324	65,372,902	1,404,691	66,777,593
Unallocable Revenue			1,016,849			609,727
Total Revenue	16,761,157	1,515,167	19,293,173	65,372,902	1,404,691	67,387,320
Segment Expenditures	565,846,041	1,333,362	567,179,403	139,890,694	1,882,515	141,773,209
Total Expenditures	565,846,041	1,333,362	567,179,403	139,890,694	1,882,515	141,773,209
Segment Results						
Segment Profit Before Tax	(549,084,884)	181,805	(547,886,230)	(74,517,792)	(477,824)	(74,385,890)
Unallocable Expenditures	-	-	153,504	-	-	188,626
Profit Before Tax			(548,039,734)			(74,574,516)
Less : Current Tax			-			-
Less : Current Tax for Prior years			2,292			-
Less : Deferred Tax			(481,915)			(1,701,036)
PAT(before adjustment for Minority Interest & Associates)			(547,560,111)			(72,873,480)
Less : Share of Profit t/f to Minority Interest			2,863			6,818
Add : Share of Profit from Associates			8,097			2,674
			(547,554,877)			(72,877,625)
Segment Assets	703,493,969	11,210,425	714,704,394	1,754,681,787	12,005,942	1,766,687,729
Unallocable Assets			518,353,334			143,290,233
Total Assets	703,493,969	11,210,425	1,233,057,727	1,754,681,787	12,005,942	1,909,977,962
Segment Liabilities	1,156,951,536	11,210,425	1,168,161,961	1,833,056,260	12,005,942	1,845,062,202
Unallocable Liabilities			64,895,766			64,915,760
Total Liabilities	1,156,951,536	11,210,425	1,233,057,727	1,833,056,260	12,005,942	1,909,977,962

2.15 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity

shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

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

(Amount in ₹)

2.16 Taxes on income

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

Deferred tax is recognized on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognized for all timing differences. Deferred tax assets are recognized for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realized. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognized only if there is virtual certainty that there will be sufficient future taxable income available to realise the assets.

2.17 Impairment of assets

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

2.18 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements. However the management of the company had thought it prudent and had decided to make provision for doubtful debtors to the tune of approx. 60% or Rs. 40 crores in the current financial year.

2.19 Service Tax Input Credits

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

2.20 Operating Cycle:

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

2.21 Advances to Subsidiaries & Associates:

The amount of ₹4,421,532/- in aggregate is standing as advance to its subsidiaries & step down subsidiaries at the balance sheet. The company has converted advance of ₹469,408,584/-, given to its subsidiaries & associates, into 10% Redeemable Non-cumulative Preference Shares of ₹10/- each during the year.

Notes forming part of the Financial Statements

(Amount in ₹)

Note 3 : Share capital

Particulars	As at 31 March, 2016		As at 31 March, 2015	
	Number of shares	₹	Number of shares	₹
(a) Authorised				
Equity shares of ₹ 10/- each with voting rights	35,000,000	350,000,000	35,000,000	350,000,000
	35,000,000	350,000,000	35,000,000	350,000,000
(b) Issued				
Equity shares of ₹ 10/- each with voting rights	34,630,630	346,306,300	34,630,630	346,306,300
	34,630,630	346,306,300	34,630,630	346,306,300
(c) Subscribed and fully paid up				
Equity shares of ₹ 10/- each with voting rights	34,630,630	346,306,300	34,630,630	346,306,300
Total	34,630,630	346,306,300	34,630,630	346,306,300

Refer Notes (i) to (iii) below

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

Particulars	Opening Balance	Fresh Issue	Other Changes	Closing Balance
Issued, Subscribed and Fully Paid-up				
<i>Equity shares with voting rights</i>				
Year ended 31 March, 2016				
- Number of shares	34,630,630	-	-	34,630,630
- Amount (₹)	346,306,300	-	-	346,306,300
Year ended 31 March, 2015				
- Number of shares	34,630,630	-	-	34,630,630
- Amount (₹)	346,306,300	-	-	346,306,300

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

Particular	As at 31 March, 2016		As at 31 March, 2015	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Class of shares / Name of shareholder				
<i>Equity shares with voting rights</i>				
Mahanti Engineers Pvt. Ltd.	5,082,600	14.68	5,082,600	14.68
Sunkissed Merchandise Pvt. Ltd.	5,022,900	14.50	5,022,900	14.50
Keleenworth Marketing Pvt. Ltd.	4,336,350	12.52	4,336,350	12.52
Total	14,441,850	41.70	14,441,850	41.70

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

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

Notes forming part of the Financial Statements (contd.)

(Amount in ₹)

Note 4: Reserves & Surplus

Particulars	As at 31 March, 2016	As at 31 March, 2015
(a) Securities premium account		
Opening balance	479,384,836	479,384,836
Add : Premium on shares issued during the year	-	-
Less : Utilised during the year for:	-	-
Closing balance	<u>479,384,836</u>	<u>479,384,836</u>
(b) Revaluation Reserve		
Opening balance	23,987,021	23,987,021
Add: Addition on revaluations during the year	-	-
Less: Utilised for set off against depreciation	-	-
Closing balance	<u>23,987,021</u>	<u>23,987,021</u>
(c) General Reserve		
Opening balance	24,500,000	24,500,000
Add: Transferred from surplus in Statement of Profit and Loss	-	-
Less: Utilised / transferred during the year for:	-	-
Closing balance	<u>24,500,000</u>	<u>24,500,000</u>
(d) Share in Reserves of Joint Ventures	<u>(1,004,468)</u>	<u>(879,646)</u>
(e) Capital Reserve		
Balance as per Last Year	(1,350,857)	2,393,959
Add/(Less) : Adjustment on conversion of subsidiary to associates	1,784,292	(3,744,816)
	<u>433,435</u>	<u>(1,350,857)</u>
(f) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	(25,350,494)	47,527,131
Add: Profit / (Loss) for the year	(547,554,877)	(72,877,625)
Closing balance	<u>(572,905,371)</u>	<u>(25,350,494)</u>
Total	<u>(45,604,536)</u>	<u>500,290,861</u>

Note 5: Long Term Borrowings

Particulars	As at 31 March, 2016	As at 31 March, 2015
Unsecured Loan		
Jagrithi Investment Pvt. Ltd.	-	1,000,000
Total	<u>-</u>	<u>1,000,000</u>

Note 6: Other Long Term Liabilities

Particulars	As at 31 March, 2016	As at 31 March, 2015
Advances from Related Parties		
Joint Venture & Associates		
Joint Venture & Associates	933,871	940,350
From Relatives of KMPs	-	-
Advance against Land	-	99,100,000
Total	<u>933,871</u>	<u>100,040,350</u>

Note 7: Long Term Provisions

Particulars	As at 31 March, 2016	As at 31 March, 2015
Provision for Employee Benefits - Gratuity	846,411	846,411
Total	<u>846,411</u>	<u>846,411</u>

Notes forming part of the Financial Statements

(Amount in ₹)

Note 8: Short Term Borrowings

Particulars	As at 31 March, 2016	As at 31 March, 2015
Loans repayable on demand		
(a) Cash Credit From banks		
Secured		
(i) State Bank of India*	292,643,320	296,403,282
<i>(Secured by way of hypothecation of stock of raw material, work-in-progress, book debts and personal guarantee of directors and their relatives, collateral security of property of the company and group companies.)</i>		
(ii) Indian Overseas Bank	315,249,078	318,306,373
<i>(Secured by way of hypothecation of stock of raw material, work-in-progress, book debts and personal guarantee of directors and their relatives, collateral security of property of the company and group companies.)</i>		
(b) Southern Lease Finance Ltd.	5,509,258	-
<i>(Secured against Pledge of 74% existing stake held in subsidiaries & Associates)</i>		
Total	<u>613,401,656</u>	<u>614,709,655</u>

* Also refer Note 32(e)

Note 9: Trade Payables

Particulars	As at 31 March, 2016	As at 31 March, 2015
Trade Payables		
Acceptances	-	-
Other than Acceptances	121,166,032	131,102,188
Total	<u>121,166,032</u>	<u>131,102,188</u>

Note 10: Other Current Liabilities

Particulars	As at 31 March, 2016	As at 31 March, 2015
Statutory Remittances	19,159,896	20,099,543
Advances from customers/ contractors	106,234,731	103,245,273
Payable for Fixed Assets	-	1,140,102
Total	<u>125,394,627</u>	<u>124,484,918</u>

Note 11: Short Term Provisions

Particulars	As at 31 March, 2016	As at 31 March, 2015
Provision for Income-tax	63,614,019	63,634,013
Provision for FBT	435,336	435,336
Total	<u>64,049,355</u>	<u>64,069,349</u>

Notes forming part of the Financial Statements (contd.)

(Amount in ₹)

Particulars	Gross Block			Depreciation			Net Block			
	As at 01.04.2015	Additions	Deductions	Total	Upto 31.03.2015	For the Year	Sales/ Adjustments	Total	As at 31.03.2016	As at 31.03.2015
TANGIBLE ASSETS										
(a) Land										
Freehold	115,994,373	-	115,994,373	-	-	-	-	-	-	115,994,373
Subsidiaries	115,994,373	-	115,994,373	-	-	-	-	-	-	115,994,373
BKDC	115,994,373	-	115,994,373	-	-	-	-	-	-	115,994,373
(a) Buildings										
Own use	9,993,919	-	-	9,993,919	1,990,221	154,053	-	2,144,274	7,849,645	8,003,698
Construction	107,298	-	-	107,298	107,298	-	-	107,298	-	-
Hotel	9,886,621	-	-	9,886,621	1,882,923	154,053	-	2,036,976	7,849,645	8,003,698
(b) Plant and Equipment										
Owned	65,467,460	-	-	65,467,460	34,160,614	4,037,728	-	38,198,342	27,269,118	31,306,846
Construction	64,671,342	-	-	64,671,342	33,397,768	4,035,891	-	37,433,660	27,237,682	31,273,574
Hotel	796,118	-	-	796,118	762,846	1,837	-	764,683	31,435	33,272
(c) Furniture & Fixtures										
Owned	6,655,032	-	-	6,655,032	5,253,781	411,905	-	5,665,686	989,346	1,401,251
Construction	2,005,586	-	-	2,005,586	1,658,023	172,138	-	1,830,161	175,425	347,563
Hotel	2,757,046	-	-	2,757,046	2,757,046	-	-	2,757,046	-	-
Subsidiaries	1,892,400	-	-	1,892,400	838,712	239,767	-	1,078,479	813,921	1,053,688
(d) Vehicles										
Owned	7,627,741	-	-	7,627,741	7,514,464	46,629	-	7,561,093	66,648	113,277
Construction	7,616,183	-	-	7,616,183	7,502,906	46,629	-	7,549,535	66,648	113,277
Hotel	11,558	-	-	11,558	11,558	-	-	11,558	-	-
(e) Office equipment										
Owned	1,034,312	-	-	1,034,312	996,016	12,216	-	1,008,232	26,080	38,296
Construction	997,762	-	-	997,762	959,466	12,216	-	971,682	26,080	38,296
Hotel	36,550	-	-	36,550	36,550	-	-	36,550	-	-
Total (Rs.)	206,772,837	-	115,994,373	90,778,464	49,915,096	4,662,532	-	54,577,628	36,200,836	156,857,741
Previous Year (₹)	486,306,221	809,406	-	487,115,627	40,803,600	9,111,496	-	49,915,096	437,200,531	445,502,621

Notes forming part of the Financial Statements (contd.)

(Amount in ₹)

Note 13: Non Current Investments

	FV	31-Mar-16		31-Mar-15	
		Nos.	₹	Nos.	₹
A. Trade Investments					
(a) Investment in Unquoted, fully paid-up Equity Shares of:-					
(i) Associates					
Kaushalya Nirman Pvt. Ltd.	10	46,000	1,942,065	46,000	1,940,000
Add: Share in profits for the year			2,688		2,065
			<u>1,944,753</u>		<u>1,942,065</u>
Orion Abasaan Pvt. Ltd.	10	29,000	1,090,609	29,000	1,090,000
Add: Share in profits for the year			4,465		609
			<u>1,095,074</u>		<u>1,090,609</u>
Kaushalya Township Pvt. Ltd.	10	317,357	15,507,850		-
Add: Share in profits for the year			944		-
			<u>15,508,794</u>		<u>-</u>
(ii) Others					
Balaji Turnkey Projects Solution (P) Ltd.	10	228,600	51,435,000	228,600	51,435,000
Enlightened Projects Ltd.	10	195,500	29,325,000	195,500	29,325,000
Orkay Engineering Ltd.	10	853,000	42,650,000	853,000	42,650,000
Flare Realty Engineering (P) Ltd.	10	2,600	26,000	2,600	26,000
Flare Realty Engineering (P) Ltd. (Held by Bengal KDC Housing Dev. Ltd.)	10	2,600	26,000	2,600	26,000
Flare Realty Engineering (P) Ltd. (Held by Kaushalya Township (P) Ltd.)	10	-	-	3,700	37,000
Pushpadanta Vyapaar (P) Ltd. (Held by Kaushalya Township (P) Ltd.)	10	-	-	10,000	100,400
Kaushalya Township (P) Ltd. (Held by Bengal KDC Housing Dev. Ltd.)	10	176	8,800	-	-
Total		<u>1,674,833</u>	<u>142,019,421</u>	<u>1,371,000</u>	<u>126,632,074</u>
(b) Investment in 10% Redeemable Non-Cumulative Preference Shares of:					
Kaushalya Nirman Pvt. Ltd.	10	879,968	51,038,144	-	-
Kaushalya Township Pvt. Ltd.	10	3,498,630	199,421,910	-	-
Orion Abasaan Pvt. Ltd.	10	<u>1,985,740</u>	<u>109,215,700</u>	-	-
Total		<u>6,364,338</u>	<u>359,675,754</u>	-	-
(d) Investment in Land					
			<u>26,607,000</u>		<u>26,607,000</u>
			<u>26,607,000</u>		<u>26,607,000</u>
B. Other than Trade Investments					
Gold Coins [50 Gms. Each]		10	479,265	10	479,265
		10	<u>479,265</u>	10	<u>479,265</u>
Total			<u>528,781,440</u>		<u>153,718,339</u>
<i>Aggregate value of unquoted Investments</i>			<u>142,019,421</u>		<u>126,632,074</u>

Notes forming part of the Financial Statements (contd.)

(Amount in ₹)

Note 14: Long Term Loans and Advances

Particulars	As at 31 March, 2016	As at 31 March, 2015
Unsecured and considered good		
Capital Advances	2,500,000	41,375,576
Security Deposits & Earnest Money Deposits	141,683,807	146,298,195
Advance to Body Corporates	5,744,572	9,444,572
Advances to related parties		
Enterprises under significant Influence	-	12,546,000
Associates Companies	-	158,313,021
Advances to Others	1,600,000	-
	<u>151,528,379</u>	<u>367,977,364</u>

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

Particulars	As at 31 March, 2016	As at 31 March, 2015
Other officers of the Company	-	108,985,241
	<u>-</u>	<u>108,985,241</u>

Note 15: Other Non Current Assets

Particulars	As at 31 March, 2016	As at 31 March, 2015
Unamortised Expenses		
Preliminary Expenses	1,798,462	1,798,462
	<u>1,798,462</u>	<u>1,798,462</u>

Note 16: Inventories

Particulars	As at 31 March, 2016	As at 31 March, 2015
Raw Materials	1,333,760	5,826,143
Work in Progress		
Construction Work in Progress	4,104,085	4,104,085
Stores & Spares	9,500	14,537
	<u>5,447,345</u>	<u>9,944,765</u>

Note 17: Trade Receivables

Particulars	As at 31 March, 2016	As at 31 March, 2015
Unsecured, considered good		
Overdue for a period exceeding six months	623,136,690	737,506,104
Other Trade receivables	153,244,135	42,133,560
	<u>776,380,825</u>	<u>779,639,664</u>
Less: Provision for Doubtful Debts	400,000,000	-
	<u>376,380,825</u>	<u>779,639,664</u>

Notes forming part of the Financial Statements

(Amount in ₹)

Note 18: Cash and Cash Equivalents

Particulars	As at 31 March, 2016	As at 31 March, 2015
(a) Cash on hand (as certified by the management)	992,032	6,099,087
(b) Balances with banks		
(i) In current accounts	242,311	5,489,448
(iii) In earmarked accounts (Refer Note (i) below)		
Balances in Deposit Accounts held as margin money or security against borrowings, guarantees and other commitments (Refer Note (i) below)	8,826,713	13,506,590
Share application money received for allotment of securities and due for refund	-	-
	<u>10,061,056</u>	<u>25,095,125</u>
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is	1,234,343	11,588,535

Notes:

- (i) Includes deposits amounting to ₹ 7,073,057/- (As at 31 March, 2015 ₹ 1,744,007/-) which have an original maturity of more than 12 months.
- (ii) Includes interest of ₹ 6,06,481/-

Note 19: Short Term Loans and Advances

Particulars	As at 31 March, 2016	As at 31 March, 2015
Unsecured, considered good		
Advances to Suppliers & Subcontractors	357,604	10,316,172
Advances to Employees	202,463	461,381
Advance against Expenses	164,710	158,278
Advance to Body Corporate	-	1,600,000
Balances with government authorities		
Income Tax Payments	121,711,746	121,620,038
Secured, considered good		
Prepaid Expenses	266,162	366,149
	<u>122,702,684</u>	<u>134,522,018</u>

Note 20: Other Current Assets

Particulars	As at 31 March, 2016	As at 31 March, 2015
Accruals		
Interest accrued on deposits	156,700	81,692
	<u>156,700</u>	<u>81,692</u>

Note 21: Revenue from Operations

Particulars	For the year Ended 31st March, 2016	For the year Ended 31st March, 2015
Sale of Services (Gross)		
Contract Receipts	6,015,563	60,833,560
Other Operating Revenues		
Profit from Hotel before depreciation & taxes(Refer Note 21A)	337,695	14,838
	6,353,258	60,848,398
Less: Service Tax	634,380	4,017,000
	<u>5,718,878</u>	<u>56,831,398</u>

Notes forming part of the Financial Statements (contd.)

(Amount in ₹)

NOTE 21A: PROFIT FROM HOTEL BUSINESS

PARTICULARS	For the Year Ended 31 March, 2016	For the Year Ended 31 March 2015
REVENUE FROM OPERATIONS		
Food Sale	371,184	348,991
Room Rent	856,783	635,745
Service Income	-	-
Cultivation Income	287,200	249,955
Agricultural Income	-	170,000
Total (A)	1,515,167	1,404,691
EXPENDITURE		
Raw Food Purchased	258,299	209,462
Fuel (Cooking)	28,375	34,134
Repairs & Maintenance - Buildings	73,636	243,783
Transport Expenses	1,900	3,280
Stores	16,845	30,683
Employee Benefits		
Salary	99,900	107,400
Site Allowance	20,100	18,600
Administrative & Other Expenses		
Advertisement	600	-
Bank Charges	3,290	1,812
Books & Periodicals	1,583	1,880
Commission Charges	-	750
Electricity Charges	122,373	173,437
Cultivation Expenses	131,495	127,115
General Expenses	42,214	40,179
Gardening Expenses	39,244	97,332
Interest on Delay Payment of Vat	336	1,193
Insurance	11,800	-
Medical Expenses	150	150
Labour Charges incl. Allowances	204,200	194,300
Laundry Expenses	11,223	11,186
Legal & Professional Charges	-	-
Postage/Fax/Courier	590	910
Printing & Stationery	4,021	2,215
Prior period	159	
Rates & Taxes	8,750	18,150
Security Expenses	72,600	51,000
Subscription	8,351	7,552
Telephone Expenses	1,142	30
Travelling & Conveyance	14,296	13,320
Total (B)	1,177,472	1,389,853
Profit/(Loss) before Depreciation and Taxes(A-B)	337,695	14,838

Notes forming part of the Financial Statements

(Amount in ₹)

Note 22: Other Income

PARTICULARS	For the Year Ended 31 March, 2016	For the Year Ended 31 March 2015
Interest Income		
Interest from Bank on Deposits	1,170,051	1,560,646
Income from Maintenance Work	-	2,650,000
Sundry Credit balance W/off	9,729,923	2,251,496
Hire Charges	480,000	2,087,000
Prior Period Income	-	7,200
Miscellaneous Income	1,016,849	609,727
(Net of expenses directly attributable ₹ Nil Prev. Year ₹ Nil)		
	<u>12,396,823</u>	<u>9,166,069</u>

Note 23.a: Cost of Material Consumed

PARTICULARS	For the Year Ended 31 March, 2016	For the Year Ended 31 March 2015
Opening stock	5,840,680	6,641,660
Add: Purchases	12,724,948	17,263,600
	<u>18,565,628</u>	<u>23,905,260</u>
Less: Closing stock	1,343,260	5,840,680
Cost of material consumed	<u>17,222,368</u>	<u>18,064,580</u>

Note 23.b: Changes in Inventories of Finished Goods, Work-in-Progress and Stock in Trade

PARTICULARS	For the Year Ended 31 March, 2016	For the Year Ended 31 March 2015
Inventories at the beginning of the year:		
Work-in-progress	4,104,085	4,104,085
	<u>4,104,085</u>	<u>4,104,085</u>
Less: Inventories at the end of the year:		
Work-in-progress	4,104,085	4,104,085
	<u>4,104,085</u>	<u>4,104,085</u>
Net (increase) / decrease	<u>-</u>	<u>-</u>

Note 24: Employee Benefit Expenses

PARTICULARS	For the Year Ended 31 March, 2016	For the Year Ended 31 March 2015
Salary, Allowances & Bonus	3,575,019	4,078,964
Directors' Remuneration	2,451,290	2,730,000
Contribution to PF, ESI & Other Funds	38,508	46,872
Staff Welfare	274,987	480,609
Employee Retirement Benefits	-	5,000
	<u>6,339,804</u>	<u>7,341,445</u>

Notes forming part of the Financial Statements (contd.)

(Amount in ₹)

Note 25: Finance Costs

PARTICULARS	For the Year Ended 31 March, 2016	For the Year Ended 31 March 2015
(a) Interest expense on:		
(i) Borrowings	(1,679,491)	62,366,790
(ii) Delayed/Deferred payment of taxes	73,092	186,296
(b) Other borrowing costs	1,271,242	3,333,643
	<u>(335,157)</u>	<u>65,886,729</u>

Note 26: Other Expenses

PARTICULARS	For the Year Ended 31 March, 2016	For the Year Ended 31 March 2015
Contract Operating Expenses		
Consumption of Stores & Spare Parts	126,921	2,086,582
Unrecoverable Works Contract	110,534,842	6,423,305
Hire Charges	17,860	73,650
Labour Charges & Allowances	4,940,230	16,732,028
Power & Fuel	244,937	493,367
Repairs & Maintenance- Machinery	388,000	1,185,275
Freight Charges	58,030	45,450
Service Tax	-	-
Works Contract Tax	397,586	520,041
	<u>116,708,406</u>	<u>27,559,698</u>
Administrative Expenses		
Rent	1,147,200	1,286,565
Rates & Taxes	704,987	554,743
Insurance	55,355	33,254
Consultancy & Professional Charges	1,262,401	1,322,151
Directors' Sitting Fee	147,500	157,500
Electricity Charges	264,692	271,203
Post, Telegraph, Telephone & Internet	307,909	527,715
Travelling & Conveyance	568,314	726,297
Printing & Stationery	620,524	357,156
Payment to Auditors		
- As Audit Fees	108,524	112,360
- As Tax Audit Fees	28,563	28,090
- For Certification	-	-
Prior Period Expenses	279,842	62,324
Miscellaneous Expenses	857,031	288,344
Preliminary Expenses W/off		6,034
	<u>6,352,842</u>	<u>5,733,736</u>
Selling & Distribution Expenses		
Advertisement	131,185	142,915
Subscription	1,850	11,790
	<u>133,035</u>	<u>154,705</u>
Other Expenses		
Sundry Debit/ (Credit) Balance W/Off	15,071,606	6,719,593
	<u>15,071,606</u>	<u>6,719,593</u>
Total	<u>138,265,889</u>	<u>40,167,732</u>

Notes forming part of the Financial Statements

(Amount in ₹)

Note 27: Additional Information of the Financial Statements**Note 27.1. Contingent Liabilities and Commitments to the extent not provided for Amount (₹)**

Sl. No.	Particulars	As on 31.03.2016	As on 31.03.2015
1.	a. Performance guarantees issued by the banks to various Government Authorities, for which the Company has provided counter guarantee against which fixed deposit receipts have been pledged by the Company.	24,470,270	50,297,983
	b. Performance Guarantee issued on behalf of other company against which fixed deposit receipts have been pledged by the Company.	8,674,000	8,674,000
	c. Bank Interest Reversed	1,679,491	4,542,695
2.	Claims not acknowledged as debts		
	Income Tax Demand (Assessment Year 2005-06)	90,875	90,875
	Income Tax Demand (Assessment Year 2007-08)	2,846,864	2,846,864
	Income Tax Demand (Assessment Year 2009-10)	3,026,950	3,026,950
	Income Tax Demand (Assessment Year 2010-11)	3,761,030	3,761,030
	Income Tax Demand (Assessment Year 2011-12)	190,580	190,580
	Income Tax Demand (Assessment Year 2012-13)	5,142,880	5,142,880
	Income Tax Demand (Assessment Year 2013-14)	27,806,230	Nil

Note 27.2 : Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

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

Note 27.3 : Disclosures as per clause 32 of the listing agreement**(Loans and advances in the nature of loans given to subsidiaries, associates and others and investment in shares of the Company by such parties)**

The loans and advances in the nature of advances given by the company to its Subsidiaries and Associates, amounts to Rs. 4,421,532/-, in aggregate as on 31st March 2016. The details of the same have been provided below:

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

Sl. No.	Name of the Subsidiary	Balance as at 31.03.2016	Maximum Balance 2015-16	Balance as at 31.03.2015	Maximum Balance 2014-15
1	Bengal KaushalyaNirman Ltd.	Nil	Nil	Nil	40,600
2	Bengal KDC Housing Development Ltd.	2,945,129	118,232,236	118,232,236	119,131,586
3	Kaushalya Energy (P) Ltd.	Nil	Nil	Nil	2,600
4	KaushalyaNirman (P) Ltd.	Nil	51,038,180	49,327,780	58,876,430
5	Azur Solar KDC (P) Ltd.	1,476,403	1,476,403	1,476,403	1,476,403
6	Kaushalya Township (P) Ltd.	Nil	204,446,228	204,441,222	225,922,822
7	Orion Abasaan (P) Ltd.	Nil	108,990,241	108,985,241	112,391,707

The company has converted advance of ₹ 469,408,584/-, given to its subsidiaries & associates, into 10% Redeemable Non-cumulative Preference Shares of ₹ 10/- each during the year.

Notes forming part of the Financial Statements (contd.)

(Amount in ₹)

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

Name of the subsidiary	As at 31 March, 2016	As at 31 March, 2015
	₹	₹
	Nil	Nil

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

	For the year Ended 31st March, 2016	For the Year Ended 31st March, 2015
Traveling and Conveyance	Nil	Nil
Loss in repayment of Term Loan	Nil	Nil

27.5 Details of consumption of imported and indigenous items

Particulars	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
	Amount (₹)	%	Amount (₹)	%
Indigenous				
Raw Material	17,222,368	100	18,064,580	100
Components	Nil	Nil	Nil	Nil
Spare Parts	126,921	100	2,086,522	100
Imported				
Raw Material	Nil	Nil	Nil	Nil
Components	Nil	Nil	Nil	Nil
Spare Parts	Nil	Nil	Nil	Nil

Note 27.6: Earning in foreign exchange (net of TDS): Nil**Note 27.7: Amount remitted in foreign currency during the year on account of dividend: Nil****Note 27.8: Current assets**

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

a. Outstanding Sundry debtors:

Out of total Sundry Debtors (Net of Provision) of Rs. 266,286,093/-, an amount of Rs. 195,715,310/- is outstanding since long, and out of which several debtors are under dispute.

Note 27.9: Statutory Compliances

The following areas are of concern:

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

- i. The company opted for the VCES, 2013 for the service tax payable corresponding to the period from April' 2009 to December' 2012. The total liability of the service tax for the said period stood to Rs. 15,943,004/-, payable in two equal installments on or before 31st Dec, 2013 and 30th June, 2014 respectively. The company has paid Rs. 7,972,657/- i.e 50% of declared liability till date. In, the mean time, the Company has received a show cause cum demand notice from Service Tax Commissionerate, Kolkata for Rs. 42,184,307/- for the said period. However, the hearing of the matter is still pending.
- ii. An amount of Rs. 1,401,229/- has been shown as Service Tax accrued but not due for payment. This amount comprises of the tax accrued on or before 1st July, 2011, which is to be paid on receipt basis, but not paid till

Notes forming part of the Financial Statements

(Amount in ₹)

date as no payment has been recovered from the debtors against the same since F.Y. 2010-11. The same has been written off in the current year.

Note 27.10: Dilution of holding:

- A) During the current financial year, one of its subsidiary Bengal KDC Housing Development Ltd. diluted its holding in another subsidiary i.e. Kaushalya Township (P) Ltd. from 5.22% to 0.03%. By virtue of this Kaushalya Township (P) Ltd. cease to be subsidiary and becomes associate during the year.

Note 27.11: Fixed Deposits:

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

Note 27.12: Interest on credit cards:

The company has paid interest to the tune of Rs. 161,076/- on delayed payment of credit cards of the directors.

Note 28: During the year borrowing cost is not capitalized.

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

Related Party Disclosures as required by AS 18 issued by the ICAI

I. Parties Where Control Exists

Subsidiaries

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

Step Down Subsidiaries

- 4 Azur Solar KDC (P) Ltd.

II. Joint Ventures

Jointly Controlled Entities

- 1 New Asian Construction Co.

III. Associates

- 1 Kaushalya Nirman Pvt Limited
- 2 Orion Abasaan Pvt Limited
- 3 Kaushalya Township Pvt Limited

IV Key Management Personnel :

- 1 Mr. Prashant Mehra, Managing Director (Resigned on 23-12-2015)
- 2 Mr. Ramesh Kumar Mehra, Chairman (Resigned on 29-09-2015)
- 3 Mr. Mahesh Mehra, Whole-Time Director
- 4 Mr. Parag Keshar Bhattacharjee, Independent Director
- 5 Mr. Anil Kumar Agarwal, Independent Director
- 6 Mrs. Minoti Nath, Women Independent Director

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

a) Relatives of Key Management Personnel :

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

b) Company in which Relatives of Key Management Personnel is Director

- 1 Pushpadanta Vyapar (P) Ltd.
- 2 Sunkissed Merchandised (P) Ltd.
- 3 Magnum Infracon (P) Ltd.

Notes forming part of the Financial Statements (contd.)

(Amount in ₹)

VI. Transactions with Related Parties

Sl. No.	Type of Transactions	2015-16			2014-15		
		Other Parties	Key Mgt Personnel	Relatives of KMP	Other Parties	Key Mgt Personnel	Relatives of KMP
(a)	Valued of Services Received	-	2,459,790	960,000	-	2,770,500	960,000
	Directors Remuneration						
	- Prashant Mehra		1,311,290			1,590,000	
	- Mahesh Mehra		1,140,000			1,140,000	
	Sitting Fees						
	- Ramesh Mehra		8,500			40,500	
	Salary						
	- Kartik Mehra			480,000			480,000
	- Karan Mehra			480,000			480,000
(b)	Rent Paid			600,000	-	-	600,000
	Rent						
	- Neeru Mehra			600,000			600,000
(c)	Advances Given	-	-	-	4,200,000	-	-
	Pushpadanta Vyapar (P) Ltd.	-	-	-	200,000	-	-
	Magnum Infracon (P) Ltd.	-	-	-	2,500,000	-	-
	Sunkissed Merchandised (P) Ltd.	-	-	-	1,500,000	-	-
(d)	Advances Taken	-	-	-	22,820,000	-	-
	Pushpadanta Vyapar (P) Ltd.	-	-	-	13,950,000	-	-
	Magnum Infracon (P) Ltd.	-	-	-	7,370,000	-	-
	Sunkissed Merchandised (P) Ltd.	-	-	-	1,500,000	-	-
(e)	Balance Receivable as at 31.03.2016	-	-	-	12,546,000	-	-
	Pushpadanta Vyapar (P) Ltd.	-	-	-	12,546,000		
(f)	Balance Payable as at 31.03.2016	-	-	-	-	-	-
*Note: Related parties have been identified by the management.							

Notes forming part of the Financial Statements

(Amount in ₹)

Note 30: Earning Per Shares**Year Ended 31.03.2016**

	Continuing Operations				Discontinuing Operations				Total Operations			
	Before Extraordinary and Exceptional Items		After Extraordinary and Exceptional Items		Before Extraordinary and Exceptional Items		After Extraordinary and Exceptional Items		Before Extraordinary and Exceptional Items		After Extraordinary and Exceptional Items	
	Basic	Diluted	Basic	Diluted	Basic	Diluted	Basic	Diluted	Basic	Diluted	Basic	Diluted
Face Value of Shares	10	10	10	10	10	10	10	10	10	10	10	10
Profit attributable to Eq. Share-holders	(547560111)	(547560111)	(547560111)	(547560111)	0	0	0	0	(547560111)	(547560111)	(547560111)	(547560111)
Weighted Average No. of Shares	34630630	34630630	34630630	34630630	34630630	34630630	34630630	34630630	34630630	34630630	34630630	34630630
EPS (₹)	(15.81)	(15.81)	(15.81)	(15.81)	-	-	-	-	(15.81)	(15.81)	(15.81)	(15.81)

Year Ended 31.03.2015

Amount (₹)

	Continuing Operations				Discontinuing Operations				Total Operations			
	Before Extraordinary and Exceptional Items		After Extraordinary and Exceptional Items		Before Extraordinary and Exceptional Items		After Extraordinary and Exceptional Items		Before Extraordinary and Exceptional Items		After Extraordinary and Exceptional Items	
	Basic	Diluted	Basic	Diluted	Basic	Diluted	Basic	Diluted	Basic	Diluted	Basic	Diluted
Face Value of Shares	10	10	10	10	10	10	10	10	10	10	10	10
Profit attributable to Eq. Share-holders	(72873480)	(72873480)	(72873480)	(72873480)	0	0	0	0	(72873480)	(72873480)	(72873480)	(72873480)
Weighted Average No. of Shares	34630630	34630630	34630630	34630630	34630630	34630630	34630630	34630630	34630630	34630630	34630630	34630630
EPS (₹)	(2.10)	(2.10)	(2.10)	(2.10)	-	-	-	-	(2.10)	(2.10)	(2.10)	(2.10)

Notes forming part of the Financial Statements (contd.)

(Amount in ₹)

Note 31: Deferred Tax Assets/ (Liability)

	31.03.2016		31.03.2015	
		Timing Difference		Timing Difference
On Account of Depreciation				
- Net Block as per IT Act	17,596,844		416,802,176	
- Net Block as per Cos. Act	35,386,916	(17,790,072)	436,146,843	(19,344,668)
On Account of Employee Benefits		846,411		841,411
Effective Rate of Tax		(16,943,661)		(18,503,257)
Deferred Tax Asset/(Liability)		30.90%		30.90%
Less: Deferred Tax Liability b/f		(5,235,591)		(5,717,507)
Deferred Tax Provision		(5,717,507)		(7,418,542)
		(481,915)		(1,701,035)

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

Note 32: Interests in Joint Ventures

Name of the JV and country of origin	% of Share-holding	Amount of interest based on the accounts for the year ended 31st March, 2015					
		Assets	Liabilities	Income	Expenditure	Contingent Liabilities	Capital Commitments
New Asian Construction Co., India	90%	10,437,813	11,464,764	-	22,484	Nil	Nil
(Prev. Year)		(10,490,402)	(11,494,869)	-	(124,822)	(Nil)	(Nil)

Note 33: Details of Provisions

Amount (₹)

Particulars	For the year ended 31.03.2016		For the year ended 31.03.2015	
	Provision for Current Tax	Deferred Tax Liability	Provision for Current Tax	Deferred tax Liability
Balance at the beginning of the year	63,634,013	5,717,507	63,634,013	7,418,542
Provision made during the year	Nil	(481,915)	Nil	(1,701,035)
Paid/Adjusted during the year	19,994	Nil	Nil	Nil
Balance at the end of the year	63,614,019	5,235,592	63,634,013	5,717,507

Note 34: Other information:**a. Projects in hand:**

The company is having two major projects, Mega Housing project for EWS, LIG & MIG through PPP in Sardarsahar, Rajasthan from Rajasthan AvsVikas & Infrastructure Ltd. of ₹ 51.66 Cr&Construction of Swarigarh SHP from Utrakhand Jal Vidyut Nigam (awarded to KIDCO-NACC Consortium) contract value ₹ 14.83 Cr. However the projects are either pending clearances or are stopped due to shortage of funds.

Notes forming part of the Financial Statements

(Amount in ₹)

- b. Work order received from Power Department, Sikkim of ₹ 4,55,20,000/- in the year 2004-05. The company has completed the work to the tune of ₹ 2,92,43,450/- but it has not been certified by the said department and subsequently no payment has been released by them against the aforesaid work done. The reason for not receiving the funds as stated by the management is due to non-availability of fund under the APDRP scheme (the scheme of the project) in Sikkim.
- c. The Company had filed a claim with their client NPCC Ltd. the client in turn raised the claim to their principal NTPC and entered into arbitration via P.M.A. The arbitration has awarded a claim of ₹ 8,55,23,452/- against a demand of ₹ 77,66,336/- and against this award the principal has appealed before the Secretary of the P.M.A. As per term the claim received by NPCC shall be passed on to the company after deduction of their margins as per MOU.
- d. The Company had filed a claim with their client NHAI and which entered into arbitration. The arbitration has awarded a claim of ₹ 64,903,981/- plus interest.
- e. It is also observed that the company has few debtors under dispute and in case where any order is received against the said claims, the company may prefer further appeal to the higher authority. With the same in view the management of the company had thought it prudent and had decided to make provision for doubtful debtors to the tune of approx. 60% or ₹ 40 crores in the current financial year.
- f. The bankers of the Company i.e. State Bank of India and Indian Overseas Bank have sent Demand Notice / Notice U/s. 13(2) of SARFAESI Act calling up the entire loan with outstanding interest. Management has approached the bankers for amicable settlement of loans.

Note 35: Previous Year Figures

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

In terms of our report attached.

For **Monu Jain & Company**

Firm Regn. No. 327900E

Chartered Accountants

Monu Jain

Proprietor

Membership No. 302721

Place : Kolkata

Date : 23rd May, 2016

For and on behalf of the Board of Directors

Mahesh Mehra
Whole-time Director

Tarak Nath Mishra
CFO

Sanjay Lal Gupta
Company Secretary





If undelivered Please Return to :
Kaushalya Infrastructure Development Corporation Ltd.
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Kolkata - 700 106