

Date: 3<sup>rd</sup> September, 2021

**THE LISTING DEPARTMENT,**  
BSE Ltd. (Designated Stock Exchange)  
PJ Towers, Dalal Street,  
Mumbai- 400 001

**THE LISTING DEPARTMENT,**  
National Stock Exchange of India Ltd.  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (E), Mumbai- 400 051

**Stock Code, BSE: 532925**  
**NSE: KAUSHALYA**

Dear Sir / Madam,

**Sub: Submission of Annual Report**

Pursuant to provisions of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report of the Company for FY 2020-21.

This is for your reference and record.

Thanking You,

Yours Faithfully

*For Kaushalya Infrastructure Dev. Corp. Ltd.*

  
Sanjay Lal Gupta  
Company Secretary

*Encl: as above*



**KAUSHALYA**  
INFRASTRUCTURE

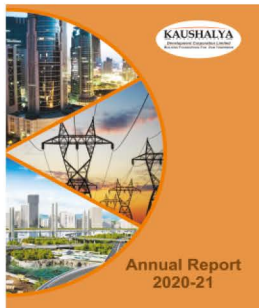
*Development Corporation Limited*  
BUILDING FOUNDATIONS FOR OUR TOMORROW



# Annual Report 2020-21

## CONTENTS

Notice	1
Director's Report	14
Management Discussion and Analysis Report	39
Report on Corporate Governance	45
Independent Auditor's Report	66
Balance Sheet	74
Statement of Profit & Loss	75
Cash Flow Statement	76
Note to Accounts	79
Consolidated Accounts	107



This Annual Report is Available online at [www.kaushalya.net](http://www.kaushalya.net)

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

**Mr. Mahesh Mehra**

*Whole-time Director*

**Mrs. Minoti Nath**

*Woman Independent Director*

**Mr. Ram Krishna Mondal**

*Independent Director*

**Mr. Sandip Sarkar**

*Independent Director*

**Mr. Tarak Nath Mishra**

*Whole-time Director & Chief Financial Officer*

**Mr. Sanjay Lal Gupta**

*Whole-time Director & Co. Secretary*

### REGISTRAR AND SHARE TRANSFER AGENT

C B Management Services (P) Ltd.

P-22, Bondel Road, Kolkata 700 019

Tel : 91 33 228006692 / 93 / 94 / 2486

Website : [www.cbmsl.com](http://www.cbmsl.com)

### STATUTORY AUDITORS

M/s. Barkha & Associates

Chartered Accountants

9, Weston Street, Siddha Weston,

1st Floor, Room No. 137

Kolkata 700 013

E-mail : [barkhaagarwal@hotmail.com](mailto:barkhaagarwal@hotmail.com)

### SECRETARIAL AUDITORS

M/s. B. K. Barik & Associates

Practising Company Secretary

3A, Garstin Place, 4th Floor,

Kolkata 700 001

E-mail : [satyabrata\\_mika@yahoo.co.in](mailto:satyabrata_mika@yahoo.co.in)

### BANKERS

HDFC Bank

### REGISTERED OFFICE

HB-170, Sector-III, Salt Lake

Kolkata-700 106

Tel-91-33-2334-4148

Fax : 91-33-2334-4148

Website : [www.kaushalya.net](http://www.kaushalya.net)

E-mail : [info@kaushalya.net](mailto:info@kaushalya.net)

## Notice

Notice is hereby given that the Twenty Ninth (29th) Annual General Meeting (AGM) of the Members of **KAUSHALYA INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED** (the company) will be held on the 24th day of September, 2021 at 02:00 P.M. through two-way video conferencing (V.C)/ Other Audio Visual Means (OAVM) facility to transact the following businesses:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements (Standalone and Consolidated Financial Statements) of the Company for the year ended 31st March, 2021 together with the report of Board of Directors and Auditor's Report thereon.
2. To appoint a Director in place of Mr. Tarak Nath Mishra (DIN- 08845853), Whole-time Director & Chief Financial Officer who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. Barkha & Associates, Chartered Accountants, (FRN.: 327573E) as Statutory Auditor of the Company and to fix their remuneration:

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

**“RESOLVED THAT** pursuant to Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 made thereunder and other applicable rules, if any, under the said Act (including any statutory modification(s) or re-enactment thereof for the time being in force), and pursuant to the recommendation of the Audit

Committee and the Board of Directors, M/s. Barkha & Associates, Chartered Accountants, (FRN.: 327573E) be and are hereby appointed as Statutory Auditors of the Company who shall hold the office, for the first term, for a period of 5 (Five) years from the conclusion of this (29th) Annual General Meeting till the conclusion of Thirty Fourth (34th) Annual General Meeting of the Company to be held in 2026, on such remuneration to be decided by the Board of Directors in consultation with the Auditors plus applicable taxes and reimbursement of travelling and out of pocket expenses incurred by them for the purpose of audit.”

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

By Order of the Board

**Kaushalya Infrastructure Development Corporation Ltd**

**Sanjay Lal Gupta**  
Whole-time Director and  
Company Secretary  
Membership No: 43560

Dated: August 13, 2021

Registered Office:

HB-170, Sector III, Salt Lake

Kolkata-700106

CIN-L51216WB1992PLC055629

Phone - 033-23344148

Email - info@kaushalya.net



## Notice (contd.)

### NOTES

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Explanatory Statement pursuant to Section 102 of the Act relating to Item no. 3 of the Notice of the Twenty Ninth AGM is annexed hereto.
3. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting. **THE FACILITY TO APPOINT A PROXY TO ATTEND AND CAST VOTE FOR THE SHAREHOLDER IS NOT MADE AVAILABLE FOR THIS AGM** and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
5. The shareholders, seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 20th September, 2021, by 5:00 P.M. through email on info@kaushalya.net. The same will be replied by/ on behalf of the Company suitably.
6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
7. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated

## Notice (contd.)

- April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the businesses to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system will be provided by NSDL.
8. In view of the outbreak of the COVID-19 pandemic, resultant difficulties involved in dispatching of physical copies of the Annual Report and in line with the said Circulars issued by the MCA and said SEBI Circular, the Annual Report including Notice of the AGM of the Company indicating the process and manner of e-voting is being sent only by Email, to all the shareholders whose Email IDs are registered with the Company/ Depository Participant(s) for communication purposes to the shareholders and to all other persons so entitled. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.kaushalya.net](http://www.kaushalya.net) under the sub heading 'Financials' of the heading 'Investor Relationship' for download. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  9. The Register of Members and Share Transfer Books of the Company will remain closed from 18th September, 2021 to 24th September, 2021 (both days inclusive) for the purpose of Annual General Meeting.
  10. Shareholders holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's record which will help the Company and the Company's Registrars and Transfer Agent – M/s. C B Management Services Private Limited (herein called the RTA) to provide efficient and better services. Shareholders holding shares in physical form are requested to intimate such changes to RTA.
  11. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their de-mat accounts. Members holding shares in physical form can submit their PAN details to the Company/RTA for registration of transmission/ transposition, deletion of name etc.
  12. Shareholders holding shares in physical form, in identical order of names, in more than one folio, are requested to send to the Company or RTA, the details of such folios together with

## Notice (contd.)

- the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such shareholders after making requisite changes.
13. A statement containing details of the Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed.
  14. In case of joint holders attending the Annual General Meeting (AGM), the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
  15. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Company has engaged the services of National Securities Depository Limited (NSDL), who will provide the e-voting facility to the Members.
  16. The cut-off date for the purpose of remote e-voting and e-voting at the AGM shall be 17th day of September, 2021. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date, i.e. 17th day of September, 2021, shall be entitled to avail the facility of remote e-voting or e-voting at the AGM. A person who is not a member as on the cut-off date, i.e. 17th day of September, 2021 should treat this notice for information purpose only.
  17. The voting rights of members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
  18. The Company has appointed M Shahnawaz & Associates, Practicing Company Secretaries (Membership No. 21427, COP. No. 15076) as the Scrutinizer to scrutinize remote e-voting or e-voting at the AGM in a fair and transparent manner.
  19. The result of remote e-voting and e-voting at the AGM along with the Scrutinizer's Report shall be placed on the Company's website [www.kaushalya.net](http://www.kaushalya.net) and on the website of NSDL [www.evotingindia.nsdl.com](http://www.evotingindia.nsdl.com) in due course. The Company shall simultaneously forward the results to BSE Limited and National Stock Exchange of India Limited where the shares of the Company are listed. The results shall also be displayed on the notice board at the Registered Office of the Company.

## Notice (contd.)

### THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on 21st September, 2021 at 9.00 A.M. and ends on 23rd September, 2021 at 5.00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 17th September, 2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 17th September 2021.

### How do I vote electronically using NSDL e-Voting system?

*The way to vote electronically on NSDL e-Voting*

*system consists of “Two Steps” which are mentioned below:*

#### Step 1: Access to NSDL e-Voting system

- A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing IDeAS user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
	2. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> . Select “Register Online for IDeAS Portal” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a>



**Notice (contd.)**

Type of shareholders	Login Method
	<p>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <div style="text-align: center;"> <p><b>NSDL Mobile App is available on</b></p> <p> <b>App Store</b>     <b>Google Play</b></p> <div style="display: flex; justify-content: space-around; align-items: center;">   </div> </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<p>1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</p> <p>2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</p> <p>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</p>

## Notice (contd.)

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.**

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

### **B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which

is available under ‘Shareholder/Member’ section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

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

## Notice (contd.)

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The

.pdf file contains your 'User ID' and your 'initial password'.

- (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
- a) Click on "Forgot User Details/ Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) in mentioning your demat account number/ folio number, your PAN, your name and your registered address etc.

## Notice (contd.)

- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
  8. Now, you will have to click on “Login” button.
  9. After you click on the “Login” button, Home page of e-Voting will open.

### **Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

#### **How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [csmdshah@gmail.com](mailto:csmdshah@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is sent through e-mail and holding shares as of the cut-off date i.e. 17th September, 2021 may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Issuer/RTA. 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” or “Physical User Reset Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no. 1800 1020 990 and 1800 22 44 30. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. 17th September, 2021 may follow steps mentioned in the Notice of the AGM under Step 1 :“Access to NSDL e-Voting system”(Above).
3. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to

## Notice (contd.)

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

4. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Mr. Amit Vishal, Senior Manager and /or Ms. Pallavi Mhatre, Manager at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [info@kaushalya.net](mailto:info@kaushalya.net).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [info@kaushalya.net](mailto:info@kaushalya.net). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders

holding securities in demat mode.

3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.



## Notice (contd.)

### INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of “VC/OAVM link” placed under “Join General meeting” menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email id, mobile number at info@kaushalya.net latest by 5.00 p.m. (IST) on Monday, 20th day of September, 2021.
6. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at info@kaushalya.net latest by 5.00 p.m. (IST) on Monday, 20th day of September, 2021, the same will be replied by the company suitably.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
8. When a pre-registered speaker is invited to speak at the meeting but he / she does not respond, the next speaker will be invited to speak. Accordingly, all speakers are requested to get connected to a device with a video/camera along with good internet speed.
9. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate, for smooth conduct of the AGM.
10. Members who need assistance before or during the AGM, can contact Mr. Amit Vishal, Senior Manager, NSDL and / or Ms. Pallavi Mhatre, Manager, NSDL at evoting@nsdl.co.in or call 1800 1020 990 / 1800 22 44 30.

**Notice (contd.)****EXPLANATORY STATEMENT****Pursuant to Section 102(1) of the Companies Act, 2013****Item No. 3**

The members of the Company, on the recommendation of the Audit Committee and Board of Directors on 28th September, 2020 had approved the appointment of M/s. Barkha & Associates, Chartered Accountants (FRN: 327573E) as the Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s. Monu Jain & Company, Chartered Accountants till the conclusion of 29th Annual General Meeting of the Company.

As per the provisions of Section 139 of the Companies Act, 2013 read with rules made thereunder, the Statutory Auditors appointed to fill causal vacancy can hold office upto the conclusion of ensuing Annual General Meeting.

In view of the above, the Board of Directors of the Company, on the recommendation of the Audit Committee, recommended for the approval of the Members, the appointment of M/s. Barkha & Associates, Chartered Accountants, as the Statutory Auditors of the Company for the first term for a period of 5 years from the conclusion of this Annual General Meeting till the conclusion of the 34th Annual General Meeting to be held in 2026, on such remuneration to be decided by the Board of Directors in consultation with the Auditors plus applicable taxes and reimbursement of travelling and out of pocket expenses incurred by them for the purpose of audit.

The Board is of the opinion that the Firm has the ability to serve its clients in multiple sectors and have expertise to cater to the audit requirements of the Company.

Considering the above, the Board and Audit Committee are of the view that continuance of M/s. Barkha & Associates, Chartered Accountants as Auditors of the Company will be beneficial to the Company, shareholders and other stakeholders as well, therefore recommends their appointment as the Auditors of the Company for first term for a period of 5 years from the conclusion of the ensuing Annual General Meeting till the conclusion of 34th Annual General Meeting to be held in the year of 2026.

M/s. Barkha & Associates, Chartered Accountants have conveyed their consent to act as Statutory Auditors of the Company and have also provided their necessary certificate of eligibility for appointment as Statutory Auditors of the Company as required in Section 139(1) and 141(3) of the Companies Act, 2013, confirming the fact that they are not disqualified to be appointed as Statutory Auditors.

The Board of Directors recommends the proposed resolution for the approval of the Members of the Company.

None of the Directors or Key Managerial Personnel or their relative(s) is / are in any way concerned or interested, in passing of the above mentioned resolution.

## Notice (contd.)

### Details of Directors seeking appointment / reappointment at the forthcoming AGM

*[Pursuant to Regulation 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 on General Meetings]*

Particulars	Mr. Tarak Nath Mishra
Date of Birth	January 5, 1969
Date of 1st Appointment on the Board	August 29, 2020
Educational Qualification	B. Com Graduate from University of Calcutta.
Expertise in specific functional areas	Mr. Mishra has vast experience in the field of finance and taxation. He is presently serving the Company as the Whole-time Director and Chief Financial Officer. He is involved in assisting and managing the financial matters of the company since 2006. He is having more than 29 years of experiences in the field of finance, personnel and administration, direct and indirect taxes, corporate finance, accounting systems and processes.
Remuneration last drawn (including sitting fees)	The remuneration details of Mr. Mishra, Whole-time Directors & Chief Financial Officer is provided in Part C of MGT-9
Remuneration to be paid	As per the Remuneration Policy of the Company
Number of meeting of the Board attended during the year	2 out of 5
Directorship in other Companies as on March 31, 2021	NA
Chairman/ Member in the Committees of the Boards of the Companies as on March 31, 2021	NA
Number of shares held as on March 31, 2021	1,500
Inter-se-relation between Directors	Not Related

## Directors' Report

*Dear Shareholders,*

The Directors are pleased to present the 29th Annual Report together with the Audited Accounts for the financial year ended March 31, 2021.

### Financial Performance

The Financial performance of the Company, for the year ended March 31, 2021 is summarized below:

(₹ In Lakhs)

Particulars	Standalone				Consolidated			
		31.03.21		31.03.20		31.03.21		31.03.20
<b>Contract Revenue &amp; Other Income</b>		<b>753.52</b>		<b>99.52</b>		<b>775.41</b>		<b>128.61</b>
Profit before Depreciation, Interest & Tax		485.31		(468.54)		479.78		(466.42)
Less : Depreciation	38.38		42.13		38.45		42.20	
Interest	75.77	114.15	69.62	111.75	1.64	40.09	3.36	45.56
<b>Profit Before Tax</b>		<b>371.16</b>		<b>(580.29)</b>		<b>439.69</b>		<b>(511.98)</b>
Less : Provision for Tax								
Current Tax	-		-		17.66		17.85	
Deferred Tax	134.34		(33.31)		134.51		(29.06)	
Prior Years Tax	236.54		-		236.66		0.01	
Total Income Tax for Year		370.88		(33.31)		388.83		(11.20)
<b>Net Profit/(Loss) After Tax</b>		<b>0.28</b>		<b>(546.98)</b>		<b>63.76</b>		<b>(615.07)</b>
Less : Minority Interest		-		-		24.67		24.36
Add: Share of Profit of Associate		-		-		12.91		(114.29)
Net Profit After Minority Interest		-		-		63.64		(826.79)
Balance b/f from previous year		(4503.47)		(3956.49)		(4,642.69)		(4003.27)
<b>Balance available for appropriations</b>		<b>(4503.19)</b>		<b>(4503.47)</b>		<b>(4,603.59)</b>		<b>(4,642.69)</b>
<b>APPROPRIATIONS</b>								
Transfer to General Reserve		-		-		-		-
<b>Balance Carried to Balance Sheet</b>		<b>(4503.19)</b>		<b>(4503.47)</b>		<b>(4,603.59)</b>		<b>(4,642.69)</b>

### State of Affair & Operations Review

During the year under review on a Standalone basis the Company has registered total income from operation of Rs. 753.52 Lakhs as against Rs. 99.52 Lakhs in the previous year. The Company has been paying its quarterly installments with respect to the restructured loan of Indian Overseas Bank (taken over by Alchemist Asset Reconstruction Company Ltd.- Trust-VII {AARC}) as per terms outlined in the sanction letter. The profit/Loss before depreciation, interest and tax for the year stood to Rs. 485.31 Lakhs as compared to Rs. (468.54) Lakhs in previous year. The Profit/ Loss After Tax for the F.Y. 2020- 21 is Rs. 0.28 Lakhs against previous F.Y Rs. (546.98) Lakhs.

## Directors' Report (contd.)

On Consolidated basis, during the year under review the Total Income of the Company stood to Rs. 775.41 Lakhs as against Rs. 128.61 Lakhs in the previous year. The EBITDA of the Company stood at Rs. 479.78 Lakhs for the F.Y 2020- 21 as compared to Rs. (466.42) Lakhs in the previous year.

Note: The Company has reached a settlement with National Highways Authority of India (NHAI) in relation to a pending arbitration award which was challenged by NHAI in the Hon'ble Calcutta High Court. This settlement has resulted in an increase in revenue from Operations and Other income. Revenue from Operations and Other income includes Rs. 205.23 lakhs and Rs. 432.52 lakhs respectively relating to contract work (including cost escalations) and delayed payment interest.

### Impact of Covid-19 on the business of the Company

In March 2020, the World Health Organization declared COVID-19 a global pandemic. The spread of COVID-19 has severely impacted businesses around the globe.

The 'second wave' in month of March and April, 2021 further exacerbated the situation with West Bengal suffering a large number of infections. The Company also suffered a jolt when almost half of the staff of the Company tested Covid positive including senior staffs in the beginning of the Financial Year 2021- 22.

The situation is constantly evolving and Governments in certain states have imposed various restrictions with the increase in number of COVID 19 cases.

The Company's businesses, particularly the hotel segment, have been drastically impacted by the pandemic. The hotel has been operational but there is minimal business due to lack of visitors and tourists. This has adversely impacted the revenue of the company's Hotel. However, in the third quarter of the financial year 2020-21, some uptick in hotel revenues was seen as some tourists started visiting the hotel again.

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

### Dividend

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

### General Reserve

The Company has not transferred any amount to the General Reserve during the financial year ended 31st March, 2021.

### Employee Stock Option Scheme

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

### Change in Nature of Business, if any

The Company operates under two segments:

- i) Construction, and
- ii) Hotel.

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



## Directors' Report (contd.)

### Material Changes and Commitments after the Balance Sheet Date

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

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

### Subsidiary Companies & Associate Companies

As on 31st March 2021, the Company's subsidiaries, step down subsidiaries, associates and joint venture are as follows:

*Its subsidiaries/step down-subsidiaries:*

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

*Its associates:*

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

*Its joint venture:*

1. KIDCO-NACC

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

The Company has one material Subsidiary namely **Bengal KDC Housing Development Ltd.** as on 31st March, 2021.

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

### Consolidated financial statements

In accordance with Section 129(3) of the Companies Act, 2013, the Company has prepared Consolidated Financial Statements of the Company and of all its subsidiaries, associates and joint venture, which is forming part of the Annual Report. As per the provisions of Section 136 of the Companies Act, 2013, separate audited financial statements of its subsidiaries are being placed on its website <http://www.kaushalya.net/others.htm>

## Directors' Report (contd.)

### Listing of equity shares

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

### Change in Share Capital

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

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

### Director

Mr. Mahesh Mehra (DIN-00086683), Whole-time Director, Mr. Tarak Nath Mishra (DIN-08845853), Whole-time Director & Chief Financial Officer and Mr. Sanjay Lal Gupta (DIN-08850306), Whole-time Director & Company Secretary are the Executive Directors of the Company as 31st March, 2021.

Mrs. Minoti Nath (DIN-07017530) is the Woman Independent Director of the Company, Mr. Sandip Sarkar (DIN-07691831) and Mr. Ram Krishna Mondal (DIN- 02065330) are the Independent Directors of the Company.

The Company has appointed Mr. Tarak Nath Mishra (DIN-08845853), Whole-time Director & Chief Financial Officer and Mr. Sanjay Lal Gupta (DIN-08850306), Whole-time Director & Company Secretary by the Board of Directors in the meeting held on August 29, 2020 and their appointment was approved by the shareholders in the 28th Annual General Meeting held on September 28, 2020.

Mr. Tarak Nath Mishra, Whole-time Director & Chief Financial Officer is liable to retire by rotation and being eligible offers himself for re-appointment.

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

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

## Directors' Report (contd.)

### Key Managerial Personnel

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

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

### Directors' Responsibility Statement

To the best of knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134(3)(c) of the Act 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, 2021:

- I. In the preparation of the annual accounts, the applicable accounting standards had been followed and there are no material departures;
- II. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profits of the Company for that period;
- III. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- IV. The Directors have prepared the annual accounts on a going concern basis;
- V. The Directors have laid down internal financial controls for the Company and such internal financial controls are adequate and operating effectively; and
- VI. There is a proper system to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

### Particulars of remuneration of employees

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

### Deposits

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

### Number of meetings of the Board

The Board met 5 (Five) times during the financial year, the details are given in the Corporate Governance Report that forms part of the Annual Report.

### Audit Committee

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

## Directors' Report (contd.)

in the attached Corporate Governance Report.

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

### **Nomination & Remuneration Committee**

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

### **Stakeholders' Relationship Committee**

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

### **Corporate Social Responsibility Committee**

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

### **Whistleblower/Vigil Mechanism Policy**

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

### **Risk Management Policy**

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

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

### **Directors' Appointment and Remuneration Policy**

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

### **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".

During the year under review, the Company has not received any complaint under the Policy.

### **Board Evaluation**

Pursuant to the applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board has carried out an annual evaluation of its own performance, of the individual Directors as well as the working of its Audit, Nomination

## Directors' Report (contd.)

& Remuneration and Stakeholders' Relationship committees. The manner in which the evaluation has been carried out has been explained in the attached Corporate Governance Report that forms an integral part of this Annual Report.

### Particulars of Loans, Investments and Guarantees

Details of Loans, Guarantees and Investments covered under the provisions of section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements. Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the particulars of loans/advances given to subsidiaries have been disclosed in the Annual Accounts of the Company.

### Related Party Transactions

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

All contracts or arrangements entered into by the Company with its related parties during the financial year were in accordance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All such contracts or arrangements, which were approved by the Audit Committee, were in the ordinary course of business and on arm's length basis. No material contracts or arrangements with related parties were entered into during the year under review. Accordingly, the disclosure of Related Party Transactions as required in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 in Form AOC -2 is not applicable for this year.

### Extract of annual return

The details forming part of extract of Annual Return is annexed herewith as "Annexure-II". Further, as per provisions of Section 92(3) of the Companies Act, 2013 (the Act), the Annual Return of the Company in Form No. MGT-7 is also hosted on the website of the Company. The same can be accessed in web-link i.e. [www.kaushalya.net](http://www.kaushalya.net)

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

No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future during the financial year 2020-21.

### 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



## Directors' Report (contd.)

Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges, is presented in a separate section forming part of this Annual Report.

### CEO/CFO Certification

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

### Auditors & Auditors' Report

M/s. Barkha & Associates, Chartered Accountants (FRN: 327573E) were appointed as the Statutory Auditors of the Company on September 28, 2020 to fill the vacancy caused by the resignation of M/s. Monu Jain & Company till the conclusion of 29th Annual General Meeting.

The Board of Directors of the Company on a recommendation of Audit Committee has proposed to appoint M/s. Barkha & Associates, Chartered Accountants (FRN.: 327573E) on such remuneration to be decided by the Board of Directors in consultation with the Auditors plus applicable taxes and reimbursement of travelling and out of pocket expenses incurred by them for the purpose of audit for first term of five years at 29th AGM upto the conclusion of 34th AGM.

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

The reports given by the Auditors on the Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2021 form part of this Annual Report and there is no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Reports.

The Auditors of the Company have not reported any fraud in terms of the second proviso to Section 143(12) of the Act.

### Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Board of Directors had appointed M/s. B. K. Barik & Associates, Company Secretaries as Secretarial Auditors to carry out the Secretarial Audit of the Company for the financial year 2020-21.

The Report given by them for the said financial year in the prescribed format is annexed to this Report as "**Annexure-III**". The secretarial audit report does not contain any qualifications, reservation or adverse remarks. The Company has one material unlisted subsidiary incorporated in India, namely Bengal KDC Housing Development Ltd. The Secretarial Audit Report by M/s. B. K. Barik & Associates, Company Secretaries for the financial year 2020- 21 of Bengal KDC Housing Development Ltd. in the prescribed format is annexed to the Annual Report of Bengal KDC Housing Development Ltd. for the said financial year.

### Cost Auditors

The cost audit under section 148 of Companies Act, 2013 read with its rule is not applicable for the Company for the financial year ended 31st March, 2021.

### Restructuring of Debts

The Debts of the Company pertaining to Indian Overseas Bank and State Bank of India were taken over by Alchemist Asset Reconstruction Company Limited- Trust- VII (AARC) vide their Assignment

## Directors' Report (contd.)

Agreements with lender banks dated March 24, 2017 and December 29, 2017 respectively. The Company had reached a settlement of its debts with respect to State Bank of India (SBI) and restructured its debts with respect to Indian Overseas Bank (IOB) with AARC. The Company has been able to make the full payment of the settled amount in respect to debts of SBI Account and received no dues certificate dated June 1, 2018.

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

### Compliance with Secretarial Standards

During the year under review, the Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

### Other Information

The Audit Committee of the Company has reviewed the audited financial statements for the year under review at its meeting held on June 30, 2021 and recommended the same for the approval of the Board of Directors.

### Annexures forming a part of this Directors Report

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

Annexure	Particulars
I	Particulars of Remuneration of Employees.
II	Extract of Annual Return.
III	Secretarial Audit Report.

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

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

### Appreciation

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

For and on behalf of the Board

**Mahesh Mehra**

DIN : 00086683

Whole-time Director

**Sanjay Lal Gupta**

DIN-08850306

Whole-time Director &  
Company Secretary

Dated: 13th August, 2021

Registered office:

HB-170, Sector-III, Salt Lake,

Kolkata-700106

CIN-L51216WB1992PLC055629

## Annexure to Directors' Report

### Annexure I to the Directors' Report

#### Particulars of Remuneration of Employees

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

- (i) The Percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial year 2020- 21, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020- 21 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 2020 -21 (₹ in Lakhs)	% Increase in remuneration in the financial year 2020-21	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	<b>Mahesh Mehra</b> (Whole-time Director)	11.40	NIL	NA	Not comparable since Company was in Loss
2	<b>Tarak Nath Misha</b> (Whole-time Director & CFO)	5.28	NIL	NA	Not comparable since Company was in Loss
3	<b>Sanjay Lal Gupta</b> (Whole-time Director & Company Secretary)	2.55	21.43%	NA	Not comparable since Company was in Loss

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

- (ii) The median remuneration of employees of the Company is ₹ 3.61 Lakhs.
- (iii) In the financial year, the increase in the median remuneration of employees is NIL.
- (iv) There were 6 permanent employees on the rolls of the Company as on March 31, 2021.
- (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 2020 -21, Company was in loss and hence not comparable.
- (vii) (a) Variation in market capitalization of the Company: The market capitalization as on March 31, 2021 was ₹ 5.40 crore (₹ 1.39 crore as on March 31, 2020).
- (b) Price Earnings ratio of the Company was 1560 as at March 31, 2021 and was (0.25) as at March 31, 2021.
- (c) Percentage increase or decrease in the market quotations of the shares of the Company as compared to the rate at which the Company came out with the last public offer in the year is (97.77) %.
- (viii) Average percentile increase made in the salaries of employees other than the managerial personnel in the financial year i.e. 2020- 21 was nil whereas the percentile increase in the managerial remuneration for the same financial year was NIL.
- (ix) Comparison of each remuneration of the Key Managerial Personnel(s) against the performance of the Company: Not comparable since the Company was in loss during the current year.
- (x) The key parameter for any variable components of remuneration availed by Directors: Not Applicable
- (xi) The ratio of the remuneration of the highest paid Directors to that of the employees who are not Directors but received remuneration in excess of highest paid Directors during the year: Not Applicable
- (xii) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees

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

## Annexure to Directors' Report (contd.)

### Annexure II to the Directors' Report

#### FORM No. MGT 9

Extract of Annual Return

As on the financial year ended on March 31, 2021

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

#### I. REGISTRATION & OTHER DETAILS

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

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No	Name & Description of main products/ services	NIC Code of the Product/ Services	% to total turnover of the company
1	Construction	9953	30.17
2	Hotel	9963	69.83
			<b>100.00</b>

#### III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

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

## Annexure to Directors' Report (contd.)

SL. NO.	NAME & ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
6	KAUSHALYA TOWNSHIP PRIVATE LIMITED HB-170, Sector-III, Salt Lake, Kolkata- 700106	U70109WB2006PTC111320	Associate	48.72	2(6)
7	ORION ABASAAN PRIVATE LIMITED 160, Jamunalal Bajaj Street, Kolkata-700007	U70101WB2006PTC111322	Associate	48.33	2(6)

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

#### (i) Category- wise Share Holding

Category of Shareholder	Number of shares held at the beginning of the year				Number of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
(a) Individual/ HUF	3139624	0	3139624	9.07	3139624	0	3139624	9.07	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	0.00
(e) Banks/FI	0	0	0	0	0	0	0	0	-
(f) Any Other	0	0	0	0	0	0	0	0	-
<b>Sub Total(A)(1)</b>	<b>17806474</b>	<b>0</b>	<b>17806474</b>	<b>51.42</b>	<b>17806474</b>	<b>0</b>	<b>17806474</b>	<b>51.42</b>	<b>0.00</b>
<b>(2) Foreign</b>									
(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	-
<b>Sub Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>
<b>Total Shareholding of Promoter(A)=(A)(1)+(A)(2)</b>	<b>17806474</b>	<b>0</b>	<b>17806474</b>	<b>51.42</b>	<b>17806474</b>	<b>0</b>	<b>17806474</b>	<b>51.42</b>	<b>0.00</b>
<b>B. Public shareholding</b>									
<b>1. Institutions</b>									
(a) Mutual Funds	0	0	0	0	0	0	0	0	-
(b) Banks/FI	800	0	800	0.00	800	0	800	0.00	0.00
(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) FIs	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	-
<b>Sub-Total (B)(1)</b>	<b>800</b>	<b>0</b>	<b>800</b>	<b>0.00</b>	<b>800</b>	<b>0</b>	<b>800</b>	<b>0.00</b>	<b>0.00</b>



## Annexure to Directors' Report (contd.)

Category of Shareholder	Number of shares held at the beginning of the year				Number of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>2. Non-institutions</b>									
(a) Bodies Corporate									
(i) Indian	2646638	0	2646638	7.64	2492014	0	2492014	7.20	(0.45)
(ii) Overseas	0	0	0	0	0	0	0	0	-
(b) Individuals									
(i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	9616720	560	9617280	27.77	9971449	560	9972009	28.80	1.02
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	4235628	0	4235628	12.23	4046550	0	4046550	11.68	(0.55)
(c) Others (specify)									
(c-i) Non-Resident Individuals	275273	0	275273	0.79	290693	0	290693	0.84	0.04
(c-ii) Clearing Members	48537	0	48537	0.14	22090	0	22090	0.06	(0.08)
<b>Sub-Total (B)(2)</b>	<b>16822796</b>	<b>560</b>	<b>16823356</b>	<b>48.58</b>	<b>16822796</b>	<b>560</b>	<b>16823356</b>	<b>48.58</b>	<b>0.00</b>
<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	<b>16823596</b>	<b>560</b>	<b>16824156</b>	<b>48.58</b>	<b>16823596</b>	<b>560</b>	<b>16824156</b>	<b>48.58</b>	<b>-</b>
<b>C. Shares held by Custodians for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>
<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>34630070</b>	<b>560</b>	<b>34630630</b>	<b>100.00</b>	<b>34630070</b>	<b>560</b>	<b>34630630</b>	<b>100.00</b>	<b>0.00</b>

### (ii) Shareholdings of Promoters

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

## Annexure to Directors' Report (contd.)

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year			Shareholding at the end of the year			% change during the year
		No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
12	Ramesh Kumar Mehra-Karta of Baij Nath Mehra (HUF)	72,500	0.21	0	72,500	0.21	0	-
13	Raghav Mehra	72,500	0.21	0	72,500	0.21	0	-
14	Karan Mehra	60,740	0.18	0	60,740	0.18	0	-
15	Mahesh Mehra	48,110	0.14	0.14	48,110	0.14	0.14	-
16	Sidh Nath Mehra HUF	44,000	0.13	0	44,000	0.13	0	-
17	Mahesh Mehra HUF	35,000	0.1	0	35,000	0.1	0	-
18	Purnima Mehra	31,320	0.09	0	31,320	0.09	0	-
19	Ramesh Kumar Mehra	30,010	0.09	0.09	30,010	0.09	0.09	-
20	Pooja Mehra	10,000	0.03	0	10,000	0.03	0	-
	<b>Total</b>	<b>1,78,06,474</b>	<b>51.42</b>	<b>3.68</b>	<b>1,78,06,474</b>	<b>51.42</b>	<b>0.51</b>	<b>-</b>

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

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

### (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	<b>Indian Infotech and Software Limited</b>				
	At the beginning of the year (01/04/2020)	1,500,000	4.33	1,500,000	4.33
	Transfer on 31/07/2020	500,000	1.44	1,000,000	2.89
	Transfer on 07/08/2020	500,000	1.44	500,000	1.44
	Transfer on 14/08/2020	500,000	1.44	-	-
	At the end of the year (31/03/2021)	-	-	-	-
2	<b>Trilok Advisory Pvt. Ltd.</b>				
	At the beginning of the year (01/04/2020)	8,06,167	2.33	8,06,167	2.33
	At the end of the year (31/03/2021)	-	-	8,06,167	2.33

## Annexure to Directors' Report (contd.)

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
3	<b>Kalyan Kumar</b>				
	At the beginning of the year (01/04/2020)	277,556	0.80	277,556	0.80
	Transfer on 18/09/2020	150,000	0.43	427,556	1.23
	Transfer on 21/09/2020	72,444	0.21	500,000	1.44
	At the end of the year (31/03/2021)	-	-	500,000	1.44
4	<b>Daksha Kotak</b>				
	At the beginning of the year (01/04/2020)	1,04,646	0.3	1,04,646	0.3
	At the end of the year (31/03/2021)	-	-	1,04,646	0.3
5	<b>Bharat R Mehta HUF</b>				
	At the beginning of the year (01/04/2020)	1,01,900	0.29	1,01,900	0.29
	Transfer on 31/07/2020	1,01,900	0.29	-	-
	At the end of the year (31/03/2021)	-	-	-	-
6	<b>Elenjikkal Poulouse Dickson</b>				
	At the beginning of the year (01/04/2020)	100,100	0.29	100,100	0.29
	At the end of the year (31/03/2021)	-	-	100,100	0.29
7	<b>Bommineni Murali</b>				
	At the beginning of the year (01/04/2020)	1,00,000	0.29	1,00,000	0.29
	At the end of the year (31/03/2021)	-	-	1,00,000	0.29
8	<b>Ajmera Associates Ltd.</b>				
	At the beginning of the year (01/04/2020)	78,248	0.23	78,248	0.23
	At the end of the year (31/03/2021)	-	-	78,248	0.23
9	<b>Ranbir Kaur</b>				
	At the beginning of the year (01/04/2020)	70,020	0.20	70,020	0.20
	Transfer on 17/04/2020	60	0	70,080	0.20
	Transfer on 24/04/2020	7,120	0.02	77,200	0.22
	Transfer on 22/05/2020	102	0	77,302	0.22
	Transfer on 26/06/2020	100	0	77,402	0.22
	Transfer on 07/08/2020	2,402	0.01	75,000	0.22
	Transfer on 28/08/2020	23,000	0.07	52,000	0.15
	Transfer on 04/09/2020	2,000	0.01	50,000	0.14
	At the end of the year (31/03/2021)	-	-	50,000	0.14

## 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
10	<b>Dimension Holdings Private Limited</b>				
	At the beginning of the year (01/04/2020)	-	-	-	-
	Transfer on 14/08/2020	590,000	1.70	590,000	1.70
	At the end of the year (31/03/2021)	-	-	590,000	1.70
11	<b>Keynesian Financial Services Limited</b>				
	At the beginning of the year (01/04/2020)	-	-	-	-
	Transfer on 05/06/2020	300	0	300	0
	Transfer on 19/06/2020	10,000	0.03	10,300	0.03
	Transfer on 30/06/2020	20,000	0.06	30,300	0.09
	Transfer on 10/07/2020	30,000	0.09	60,300	0.17
	Transfer on 17/07/2020	1,708	0	62,008	0.18
	Transfer on 24/07/2020	2,892	0.01	64,900	0.19
	Transfer on 07/08/2020	380,000	1.10	444,900	1.28
	Transfer on 14/08/2020	200,000	0.58	644,900	1.86
	Transfer on 21/08/2020	210,000	0.61	854,900	2.47
	At the end of the year (31/03/2021)	-	-	854,900	2.47
12	<b>Dipendra Kumar Sah</b>				
	At the beginning of the year (01/04/2020)	-	-	-	-
	Transfer on 07/08/2020	24,000	0.07	24,000	0.07
	Transfer on 14/08/2020	19,155	0.06	43,155	0.12
	Transfer on 21/08/2020	10,441	0.03	53,596	0.15
	Transfer on 28/08/2020	68,310	0.20	121,906	0.35
	Transfer on 06/11/2020	5,611	0.02	116,295	0.34
	Transfer on 18/12/2020	284	0	116,011	0.33
	Transfer on 25/12/2020	4,000	0.01	112,011	0.32
	Transfer on 15/01/2021	2,000	0.01	110,011	0.32
	Transfer on 29/01/2021	1,163	0	108,848	0.31
	Transfer on 26/02/2021	6,000	0.02	102,848	0.30
	At the end of the year (31/03/2021)	-	-	102,848	0.30
13	<b>Manoj Kumar Bhalotia</b>				
	At the beginning of the year (01/04/2020)	850	0	850	0
	Transfer on 07/08/2020	100,500	0.29	101,350	0.29
	At the end of the year (31/03/2021)	-	-	101,350	0.29

## 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
14	<b>Amit Modi</b>				
	At the beginning of the year (01/04/2020)	28,000	0.08	28,000	0.08
	Transfer on 03/07/2020	12,000	0.03	40,000	0.12
	Transfer on 16/10/2020	5,515	0.02	45,515	0.13
	Transfer on 23/10/2020	34,485	0.10	80,000	0.23
	At the end of the year (31/03/2021)	-	-	80,000	0.23
15	<b>Priti Saboo</b>				
	At the beginning of the year (01/04/2020)	70,000	0.2	70,000	0.2
	At the end of the year (31/03/2021)	-	-	70,000	0.2

### (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	<b>Mr. Mahesh Mehra - Whole-time Director</b>				
	At the beginning of the year	48,110	0.14	48,110	0.14
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	No change during the year			
	At the end of the year	48,110	0.14	48,110	0.14
2	<b>Mrs. Minoti Nath - Independent Director</b>				
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	No change during the year			
	At the end of the year	0	0	0	0

## Annexure to Directors' Report (contd.)

3	<b>Mr. Sandip Sarkar</b> <b>-Independent Director</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No of shares</b>	<b>% of total shares of the company</b>
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	No change during the year			
	At the end of the year	0	0	0	0

4	<b>Mr. Ram Krishna Mondal</b> <b>- Independent Director</b> <b>(Appointed as on May 7, 2020)</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No of shares</b>	<b>% of total shares of the company</b>
	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	<b>Mr. Tarak Nath Mishra</b> <b>- Whole-time Director and</b> <b>Chief Financial Officer*</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No of shares</b>	<b>% of total shares of the company</b>
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	No change during the year			
	At the end of the year	0	0	0	0

6	<b>Mr. Sanjay Lal Gupta</b> <b>- Whole-time Director and Company</b> <b>Secretary*</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No of shares</b>	<b>% of total shares of the company</b>
	At the beginning of the year	1,500	0	1,500	0
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	No change during the year			
	At the end of the year	1,500	0	1,500	0



## Annexure to Directors' Report (contd.)

### V. INDEBTEDNESS

(₹ In Lakhs)

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	2,990.06	846.56	-	3,836.62
ii) Interest due but not paid	-	119.92	-	119.92
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>2,990.06</b>	<b>966.48</b>	<b>-</b>	<b>3,956.54</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	-	84.09	-	84.09
Reduction	550.00	-	-	(550.00)
<b>Net Change</b>	<b>(550.00)</b>	<b>84.09</b>	<b>-</b>	<b>465.91</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	2,440.06	861.08	-	3,301.14
ii) Interest due but not paid	-	189.49	-	189.49
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>2,440.06</b>	<b>1050.57</b>	<b>-</b>	<b>3,490.62</b>

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ In Lakhs)

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

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

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

## Annexure to Directors' Report (contd.)

### B. Remuneration to other directors:

(₹ In Lakhs)

Sl. No	Particulars of Remuneration	Name of Independent Directors			Total Amount
		Mrs. Minoti Nath	Mr. Sandip Sarkar	Mr. Ram Krishna Mondal (Appointed as on May 7, 2020)	
(a)	Fee for attending board/committee meetings	0.41	0.41	0.24	1.06
(b)	Commission	--	--	--	--
(c)	Others, please specify	--	--	--	--
<b>Total (B)</b>		0.41	0.41	0.24	1.06
<b>Total Managerial Remuneration (A+B)</b>					<b>12.46</b>
Ceiling as per the Act: - ₹ 1 Lakh per meeting of the board or committee as per section 197(5) of The Companies Act, 2013 read with rule 4 of The Companies (Appointment and Remuneration of Managerial Personnel) rules, 2014.					

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

Sl. No.	Particulars of Remuneration	Key Management Personnel		Total Amount
		Company Secretary Mr. Sanjay Lal Gupta	CFO Mr. Tarak Nath Mishra	
1	<b>Gross Salary</b>			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	2.55	5.28	7.83
	(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	<b>Stock Option</b>	--	--	--
3	<b>Sweat Equity</b>	--	--	--
4	<b>Commission</b>	--	--	--
	as % of profit	--	--	--
	others, specify	--	--	--
5	<b>Others, please specify</b>	--	--	--
	<b>Total</b>	<b>2.55</b>	<b>5.28</b>	<b>7.83</b>

## 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)
<b>A. Company</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>B. Directors</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>C. Other Officers In Default</b>					
Penalty			NIL		
Punishment					
Compounding					

For and on behalf of the Board

Dated: 13th August, 2021  
Registered office:  
HB-170, Sector-III, Salt Lake,  
Kolkata-700106  
CIN-L51216WB1992PLC055629

**Mahesh Mehra**  
DIN : 00086683  
Whole-time Director

**Sanjay Lal Gupta**  
DIN-08850306  
Whole-time Director &  
Company Secretary

## Annexure to Directors' Report (contd.)

### Annexure III to the Directors' Report

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**(For the Financial Year ended 31st March, 2021)**

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

To

The Members,

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. KAUSHALYA INFRASTRUCTURE DEVELOPMENT CORPORATION LTD.** (hereinafter called the "Company").

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2021 ("the audit period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), whatever applicable & to the extent applicable to the company:-

## Annexure to Directors' Report (contd.)

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018: Not Applicable to the Company during the audit period;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014: Not Applicable to the Company during the audit period;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008: Not Applicable to the Company during the audit;
- (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, 200: Not Applicable to the Company during the audit period;
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998, as amended: Not Applicable to the Company during the audit period;
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable regulations /guidelines/circulars issued by SEBI from time to time, to the extent applicable.

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

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

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

### **We further report that:**

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

## **Annexure to Directors' Report (contd.)**

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

Majority decisions at the Board meetings were carried out unanimously.

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

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

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

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

Company Secretaries

**B. K. Barik**

Practicing Company Secretary

C.P. No. 3897, FCS 5696

UDIN: F005696C000547358

Place: Kolkata

Date: 30.06.2021



## **Annexure to Directors' Report (contd.)**

**Annexure "A"**

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

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

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

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

**B. K. Barik**  
Practicing Company Secretary  
C.P. No. 3897, FCS 5696  
UDIN: F005696C000547358

Place: Kolkata  
Date: 30.06.2021

## Management Discussion and Analysis Report

### INDUSTRY REVIEW

The economic impact of the COVID-19 pandemic in India has been largely disruptive. The period following the first lockdown announced on 25th March 2020 was riddled with uncertainties and complexities. The Indian economy, after subdued growth in 2019, had begun to regain momentum from January 2020 onwards, only to be stalled by the once-in-a-century pandemic outbreak bringing down with it business and commerce activities across the country.

As the economy went into a freefall, the government was quick to introduce a stimulus economic package, “Aatmanirbhar Bharat”, approximately worth Rs. 20 lakh crores to jumpstart the economy. Subsequently, a slew of economic revival measures and impetuses have been announced in the country with the hope of an upliftment in the economic conditions of the country.

The Government of India has set up the National Investment and Infrastructure Fund (NIIF), which is India’s first investment fund for infrastructure development. Further, the government has allowed 100% FDI under automatic route in completed projects for operations and management of townships, malls/ shopping complexes, and business constructions. Such actions are expected to open up new and exciting opportunities for players in the infrastructure and construction space.

The Government intends to establish a Development Financial Institution (DFI) with an initial capital of INR 200 billion, aiming to create a lending portfolio of at least INR 5 trillion in 3 years. Furthermore, the Government assured access to finance for InVITs by enabling debt financing by Foreign Portfolio Investors (FPI). Overall, the budget reinstates the optimism on growth and presents a major opportunity to construction companies regarding the capex trajectory.

Amidst the ongoing pandemic of COVID-19 causing disruption across the world, many corporates are considering diversifying their investments into new geographies and mitigate risks which provides opportunity for further Foreign Direct Investment.

Clubbed with the Atmanirbhar Bharat Abhiyaan, India is sprinting towards creating an investor friendly ecosystem.

### BUSINESS STRATEGY

The outbreak of coronavirus (i.e. COVID-19), which commenced in December 2019 has now spread across the world. India has been no exception and currently our country is looking to come out of second painful wave. At the same time, the country is progressing well in its vaccination program.

The pandemic has made fundamental changes in the way people live and operate.

Since the beginning of the Financial Year, the COVID-19 pandemic disrupted and challenged organizations, lives, livelihoods, and economies worldwide. As the situation unfolded, our management responded swiftly and ensured the safety of our employees by rapidly enabling work from-home options.

As the functioning of the courts were also curtailed, various litigations that were pending at various courts of the country have been further delayed. With a motive to end the pending contract litigations,

## **Management Discussion and Analysis Report (contd.)**

your Company has been a proponent of amicable resolution of disputes and in that spirit initiated conciliation with NHAI for a long pending dispute and entered into a settlement against the arbitral award. Such action enabled the company to pre-pay a portion of its debt obligations as well as meet other financial needs during this tough financial year. In the same spirit, your Company also entered into resolution of some long pending tax disputes by availing the Government of India's Income Tax as well as Service Tax settlement schemes wherever it was thought prudent.

Your Company's businesses, particularly the hotel segment, has been drastically impacted by the pandemic. The hotel saw minimal business due to lack of visitors and tourists owing to the fear of pandemic as well as intermittent lockdowns and other COVID-19 restrictions. With vaccination program being conducted on large scale, your Company saw a small uptick in numbers of visitors from December, 2020.

Your Company is hopeful that such fears shall allay soon as the economy gears back once the virus cases start to ebb in the coming few months and expects a boost in growth with pent-up demand among tourists who would want to take short getaways from the city. Company is continuing its focus on the hotel segment in Jhargram and plans to undertake renovation and up-gradation of the facilities.

Your Company has started to place bids for several construction contract tenders and continues to explore new business opportunities and is hopeful that it would be able to take up new construction sector projects in the near future.

### **SWOT ANALYSIS**

#### **Strength:**

Your Company continues to capitalize on the market opportunities by leveraging its key strengths.

The core strength of your Company lies in its experience to manage large civil and electrical construction projects and the hotel business, which gives it a huge advantage over its competitors.

Your Company has good Brand Reputation due to which it enjoys higher recall and influences the buying decision of the customer.

Strong credentials helps your Company to bid for infrastructure projects. Further, your Company also has adequate land for expansion of the hotel facilities, which provide it with growth opportunities in that segment. Your Company also have experienced, capable and highly qualified management teams who oversee and execute all aspects of project development.

#### **Weaknesses:**

Liquidity stress continues to be the weakness for the Company. Liquidity crisis has been adversely impacting the execution of the projects. Your Company has in the past found it difficult in meeting the obligations associated with its financial liabilities due to the continuous liquidity stress.

## Management Discussion and Analysis Report (*contd.*)

In addition to the above, several of the projects have continued to be in litigation which has prolonged due to the pandemic situation in the country.

A number of those litigations have been awarded in your Company's favor but they mostly continue in various courts of appeal. This has lead to increased liquidity stress, which the Company is working actively to solve by exploring out of court settlements on various litigated awards instead of protracted litigation at various forums and courts of appeals and some of such efforts have materialized in this past financial year.

Any adverse change in any macroeconomic variables like GDP growth, interest rates, inflation, changes in tax, trade, fiscal and monetary policies etc. may adversely impact the Company's business, profitability and financial condition.

The dramatic spike in the number of new Coronavirus cases in India may also impact the company's financials in the near term. Further, the ageing equipment fleet requires an overhaul and several of them are tied up in litigation which your Company is actively trying to resolve.

### **Opportunities:**

The infrastructure sector is highly responsible for driving India's overall development and hence enjoys intense focus from the Government for initiating policies that would ensure time-bound creation of world-class infrastructure in the country. The government of India has been consistently focusing upon enhancing the roads and railways network throughout the country.

Your Company is ideally placed to further strengthen its development potential by acquiring new land parcels. With the bank issues settled/restructured, your Company is now in a position to regroup its resources and focus on business growth of both the hotel and the construction business segments.

The Government of India along with the governments of the respective states has taken several initiatives to encourage the development in the sector. The Smart City Project, where there is a plan to build 100 smart cities, is a prime opportunity for the real estate companies.

With infrastructure being among the major focus areas for the government, there lies immense scope for growth and hence opportunity for your Company to capitalise on them.

Your Company possesses successful track record of quality execution of projects with contemporary architecture. Our credentials will help us to bid for infrastructure projects and discussion are underway for new projects in order to put the Company back on a growth path.

### **Threats :**

The Indian real estate sector is still highly unorganized with lots of middlemen and depressed demand, together with increased construction costs, both material and labour, which has been putting pressure on the cost of projects and profit margins.

## **Management Discussion and Analysis Report (contd.)**

The protracted approval process is also a considerable challenge. Project approvals in India range from days to years due to the absence of a single-window clearance option, which results in time and cost escalations.

Attractive growth opportunities exist in the infrastructure sector, especially with the government being expected to go full throttle on infrastructure development in the post COVID-19 period.

While the management of your Company is confident of creating and exploiting the opportunities, it also faces various challenges such as unanticipated delays in project approvals, growth in auxiliary infrastructure facilities, concern due to ongoing pandemic situation, etc.

Finance plays an imperative role in the construction industry. Liquidity crisis or any adverse move by the banking sector towards the lending policy on the real estate loans adversely impacts the execution of the projects and increases the cost of borrowing.

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

### **Discussion on Financial Performance of the Company**

#### **Revenue**

For the financial year ended 31st March, 2021, your Company's revenue stood at Rs. 753.52 Lakhs as against Rs. 99.52 Lakhs in the previous year. The rise in revenue stems from income recognized as a part of settlement reached with National Highways Authority of India in relation to an arbitral award which was pending adjudication in the Hon'ble Calcutta High Court. The settlement resulted in release of liquidity that was locked in the litigation and enable the company to partially pay of its outstanding debt as well as to meet other financial obligations.

#### **Expenditure**

Your Company's total expenditure comprising of contract & site expenses, employee benefit cost, depreciation, material consumed including other expenses was Rs. 382.36 Lakhs for year ended 31st March, 2021 as compared to Rs. 679.81 Lakhs in the previous year. Current year's expenditures includes recognition of a charge related to prior period service tax which was settled through the Sabka Vishwas - (Legacy Dispute Resolution) Scheme, 2019 (SVLDRS) scheme of the Govt. of India. The total settlement amount stood at Rs. 99.55 Lakhs out of which Rs. 47.93 lakh was already recognized in the previous years and the balance of Rs. 51.62 lakh was recognized in the current year.

#### **Interest**

Interest expenses stood at Rs. 75.77 Lakhs and the previous year's figure was Rs. 69.62 Lakhs.

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## Management Discussion and Analysis Report (*contd.*)

### Profit before Tax (PBT)

PBT was Rs. 371.16 Lakhs for the current year as compared to Rs. (580.29) Lakhs in the previous year. Profit before tax resulted primarily from the income recognized as a result of the settlement reached with National Highways Authority of India with respect to the arbitral award received by the company.

### Profit after Tax

Your Company's profit after tax was Rs. 0.28 Lakhs for the year ended March 31, 2021 from Rs. (546.98) Lakhs in the previous year. Your company also availed the Sabka Vishwas Income tax settlement scheme for some of the disputed tax demands as well as decided to give effect of various disputed tax assessment orders in litigation and thereby took a charge of Rs. 236.54 Lakh related to prior period tax.

### EPS

The earnings per share for the current year is NIL as compared to Rs. (1.58) per equity share in the previous year.

### Consolidated Financial Statements

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

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

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

### Human Resources

Your Company considers its Human Resources as the most important organizational assets. It continually seeks to improve the efficiency and effectiveness of the people as its internal sources for maintaining a competitive advantage.

Your Company believes in fair and equitable treatment of its employees and continues to invest in their welfare.

Your Company maintains a cordial and informal working environment. Authority is delegated at all levels through a defined system of the scope of work, responsibility and reporting structure which results in leaders being nurtured across the organizational structure. Employees are remunerated according to the prevailing industry standards. Your company also encourages its employees to



## **Management Discussion and Analysis Report (contd.)**

undertake skill enhancement training programmes and to participate in the seminars organized by the external agencies related to the areas of their operations to keep honing their skills, both functional and attitudinal, leading to a low attrition rate.

### **Other Disclosures**

National Stock Exchange of India Limited (NSE) vide letter dated April 13, 2021 imposed a fine of Rs. 8,85,000/- on the Company for non-compliance of regulation 17(1)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter ended June 2020 and September, 2020.

The Company has already made good the non-compliance on August 29, 2020 by appointing Mr. Tarak Nath Mishra and Mr. Sanjay Lal Gupta as Whole-time Directors of the Company and also made written representations to NSE to waive off the fine amount. However, on May 21, 2021, in order to avoid any consequences and to safeguard the Company and its promoters from any action, the company has paid the fine under protest. The waiver request is under consideration of NSE.

### **Cautionary Statement**

Statements in Management Discussion and Analysis describing the Company's objectives, expectations or predictions may be forward-looking within the meaning of applicable securities law and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include stiff competition leading to price-cuts, high volatility in prices of major inputs such as steel, cement, building materials, petroleum products, change in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

## Report on Corporate Governance

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

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Good Corporate Governance practices are a sine qua non for sustainable business that aims at generating long-term value to all its stakeholders. The fundamental principle of Corporate Governance is achieving sustained growth legally and ethically and in the best interest of all stakeholders.

At Kaushalya, Corporate Governance is about upholding the highest standards of integrity, transparency and accountability. We maximize shareholder's value while safeguarding and promoting the interests of other stakeholders and maintaining a steadfast commitment to ethics and code of conduct. We believe that retaining and enhancing stakeholder trust is essential for sustained corporate growth.

### 2. CORPORATE GOVERNANCE GUIDELINES

The Company believes that strong governance standards and guidelines, focusing on fairness, transparency, accountability and responsibility are vital, not only for the healthy and vibrant corporate sector growth, but also for inclusive growth of the economy. It is not just mere compliance of laws, rules and regulations, but a commitment to values, best management practices and adherence to the highest ethical principles.

The Board has adopted the Company's Guidelines to ensure that the Board will have the necessary authority and processes in place to review and evaluate the Company's operations. This helps the management fulfill its corporate governance responsibility towards stakeholders.

### 3. BOARD OF DIRECTORS

At the helm of the Kaushalya, Corporate Governance practice is its Board. The Board of Directors, along with its Committees, provides leadership and guidance to the management and directs and supervises the performance of the Company, thereby enhancing stakeholder value. The Board effectively separates the functions of governance and management and balances deliverables.

The Board has an optimal mix of Executive and Non-Executive Directors, with right element of independence, who have considerable expertise in their respective fields.

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

## Report on Corporate Governance (contd.)

The composition of the Board as on 31st March, 2021 was as under:

Name of Directors	Business relationship	DIN	Category of Directorship	No. of Directorships in other Public Limited Companies*	No. of Committee positions held in other Public Companies as **	
					Chairman	Member
Mr. Mahesh Mehra	Whole-time Director	00086683	Promoter Non-Independent Executive	–	–	–
Mrs. Minoti Nath	Director	07017530	Independent Non-Executive	1	–	1
Mr. Sandip Sarkar	Director	08527653	Independent Non- Executive	–	–	–
<sup>1</sup> Mr. Ram Krishna Mondal	Director	02065330	Non-Independent Executive	–	–	–
<sup>2</sup> Mr. Tarak Nath Mishra	Whole-time Director	08845853	Non-Independent Executive	–	–	–
<sup>3</sup> Mr. Sanjay Lal Gupta	Whole-time Director	08850306	Non-Independent Executive	–	–	–

### NOTES:

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

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

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

<sup>1</sup>Mr. Ram Krishna Mondal was appointed as an Additional Director in the category of Independent Director of the Company w.e.f. May 7, 2020.

<sup>2</sup>Mr. Tarak Nath Mishra was appointed as an Additional Director in the category of Whole-time Director of the Company w.e.f. August 29, 2020.

<sup>3</sup>Mr. Sanjay Lal Gupta was appointed as an Additional Director in the category of Whole-time Director of the Company w.e.f. August 29, 2020.

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

During the year 2020-21, 5 (Five) Board Meetings were held. The Company held at least one Board Meeting in every quarter and the time gap between two Board meetings did not exceed 120 days as prescribed under Regulation 17(2) of SEBI (Listing Obligations and Disclosure Requirements), Regulation, 2015 and the Companies Act, 2013.

The previous Annual General Meeting of the Company was held on September 28, 2020.

## Report on Corporate Governance (*contd.*)

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

Name of Directors	Attendance at the Board Meetings held on					Attendance at the AGM held on 28.09.2020
	07.05.2020	31.07.2020	29.08.2020	13.11.2020	13.02.2021	
Mr. Mahesh Mehra	Yes	Yes	Yes	Yes	Yes	Yes
Mrs. Minoti Nath	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Sandip Sarkar	Yes	Yes	Yes	Yes	Yes	Yes
<sup>1</sup> Mr. Ram Krishna Mondal	NA	Yes	Yes	Yes	Yes	Yes
<sup>2</sup> Mr. Tarak Nath Mishra	NA	NA	NA	No	Yes	Yes
<sup>3</sup> Mr. Sanjay Lal Gupta	NA	NA	NA	Yes	Yes	Yes

#### NOTES:

<sup>1</sup>Mr. Ram Krishna Mondal was appointed as an Additional Director in the category of Independent Director of the Company w.e.f. May 7, 2020.

<sup>2</sup>Mr. Tarak Nath Mishra was appointed as an Additional Director in the category of Whole-time Director of the Company w.e.f. August 29, 2020.

<sup>3</sup>Mr. Sanjay Lal Gupta was appointed as an Additional Director in the category of Whole-time Director of the Company w.e.f. August 29, 2020.

#### 4. BOARD COMMITTEES

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

##### i. Audit Committee

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

The Audit Committee acts as a link between the statutory and internal auditors and the Board of Directors. It assists the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities. Majority of the Members on the Committee, including the Chairman, are Independent Directors.

The terms of reference of Audit Committee are:

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

## Report on Corporate Governance (*contd.*)

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

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

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

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

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

- The Audited Financial Statements of Kaushalya Infrastructure Development Corporation Limited for the year ended March 31, 2021 is prepared in accordance with the applicable Accounting Standards, be accepted by the Board as a true and fair statement of the financial status of the Company.
- The Audited Consolidated Financial Statements of Kaushalya Infrastructure Development Corporation Limited and its Subsidiaries for the year ended March 31, 2021 is prepared in Indian Rupees and in accordance with the applicable Accounting Standards, be accepted by the Board as a true and fair statement of the financial status of the Group.

## Report on Corporate Governance (*contd.*)

- M/s. Barkha & Associates, Chartered Accountants (FRN.: 327573E) were appointed as the Statutory Auditors of the Company on September 28, 2020 to fill the vacancy caused by the resignation of M/s. Monu Jain & Company till the conclusion of 29th Annual General Meeting.

The Committee has proposed to appoint M/s. Barkha & Associates, Chartered Accountants (FRN.: 327573E) on such remuneration to be decided by the Board of Directors in consultation with the Auditors plus applicable taxes and reimbursement of travelling and out of pocket expenses incurred by them for the purpose of audit for first term of five years at 29th AGM upto the conclusion of 34th AGM.

The Company has established a mechanism for Directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of our Code of Conduct and Ethics. It also provides for adequate safeguards against the victimization of employees who avails the mechanism, and allows direct access to the Chairperson of the audit Committee in exceptional cases and no Director or employee has been denied access to the Audit Committee during the Financial Year 2020- 21. The Whistleblower Policy is available on Company's website at <http://www.kaushalya.net/VIGIL%20MECHANISM.pdf>

### Composition, Meeting and Attendance

During the year ended 31st March, 2021, 4 (Four) Audit Committee meetings were held on July 31, 2020, August 29, 2020, November 13, 2020 and February 13, 2021. The Committee was re-constituted on 13th November, 2020. The composition and attendance of the members of the Audit Committee are as follows:

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

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

### ii. Nomination and Remuneration Committee

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

1. Formulation of the remuneration policy, for the Directors, Key Managerial Personnel and other employees ;
2. Formulation of criteria for evaluation of Independent Directors and the Board ;

## Report on Corporate Governance (*contd.*)

3. Devising a policy on Board diversity ;
4. Identifying persons for Board and senior management positions ;

During the year ended 31st March, 2021, two meetings of Nomination and Remuneration Committee were held on May 7, 2020 and August 29, 2020. The composition of Nomination and Remuneration Committee are as follows:

Sl. No.	Name of Members	Position	No. of Meetings	
			Held	Attended
1	Mr. Ram Krishna Mondal	Chairman, Independent, Non-Executive	1	1
2	Mr. Sandip Sarkar	Member, Independent, Non-Executive	2	2
3	Mrs. Minoti Nath	Member, Independent, Non-Executive	2	2

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

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

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

### **General**

- a) The Committee shall ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company.
- b) Moreover, it shall also ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- c) Remuneration for Directors, Key Managerial Personnel and Senior Management should involve a balance between fixed and variable pay reflecting short- and long-term performance objectives appropriate to the working of the Company and its goal.



## Report on Corporate Governance (*contd.*)

- d) The remuneration payable to the Directors of a Company including Managing Director/ Whole-time Director shall be recommended by the Committee to the Board for approval of such payment of remuneration including Commission, if any, shall be in accordance with and subject to the provisions of the Act and approval of the Members of the Company and Central Government, wherever required, as per the provisions of the Act.
- e) In respect of Key Managerial Personnel, the Remuneration as approved by the Board of Directors shall be payable to such Key Managerial Personnel. The annual increment to the KMP and Senior Management shall be based on the annual appraisal and shall be determined by the Chairman.
- f) Professional indemnity and liability insurance for Directors, KMP and Senior Management not to be treated as remuneration. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

### **Remuneration to Managing Director/Whole-time Director:**

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

### **Remuneration to Non- Executive & Independent Directors:**

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

#### **b) Sitting Fees:**

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

#### **c) Remuneration:**

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

### **Remuneration to KMP and Senior Management employees:**

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

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

## Report on Corporate Governance (contd.)

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

The details of sitting fees for the Financial Year 2020- 21 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, 2021
			Board Meeting	Committee Meeting/ Separate Meeting of Independent Directors	
1	Mrs. Minoti Nath	Non-Executive, Independent	20,000/-	24,500/-	NIL
2	Mr. Sandip Sarkar	Non-Executive, Independent	20,000/-	24,500/-	NIL
3	<sup>1</sup> Mr. Ram Krishna Mondal	Non-Executive, Independent	20,000/-	7,000/-	NIL

<sup>1</sup>Mr. Ram Krishna Mondal was appointed as an Additional Director in the category of Independent Director of the Company w.e.f. May 7, 2020.

Remuneration paid to Executive Director of the Company during the Financial Year ended March 31, 2021 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 31.03.2021
					From	To		
Mr. Mahesh Mehra	11,40,000/-	--	--	11,40,000/-	04.09.2017	03.09.2022	2 Months	48,110
Mr. Tarak Nath Mishra*	*The remuneration details of Mr. Tarak Nath Mishra, Whole-time Director and Chief Financial Officer and Mr. Sanjay Lal Gupta, Whole-time Director and Company Secretary are provided in Part C of MGT-9.							
Mr. Sanjay Lal Gupta*								

### iii. Stakeholders Relationship Committee

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

## Report on Corporate Governance (*contd.*)

Other terms of reference of the committee are:

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

During the year ended 31st March, 2021, a meeting of Stakeholders' Relationship Committee was held on February 13, 2021. The composition and attendance of the members of the Stakeholders Relationship Committee are as follows:

Sl. No.	Name of Members	Category	No. of Meeting	
			Held	Attended
1.	Mrs. Minoti Nath	Chairman, Non-Executive, Independent	1	1
2.	Mr. Mahesh Mehra	Member, Executive	1	1
3.	Mr. Sandip Sarkar	Member, Non-Executive, Independent	1	1

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

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

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

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

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

## Report on Corporate Governance (*contd.*)

The details of the complaints during the year 2020-21, excluding correspondences that are not in the nature of complaints are given below:

Number of complaints received from the shareholders	<b>1</b>
Number of complaints redressed	<b>1</b>
Number of complaints not solved/pending	<b>0</b>

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

### **SEBI Complaints Redress System (SCORES)**

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

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

## **5. PERFORMANCE EVALUATION**

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

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

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

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

## **6. SEPARATE MEETING OF INDEPENDENT DIRECTORS'**

During the year ended 31st March, 2021, the Independent Directors met on February 13, 2021 inter alia,

- i. to review performance of non-independent Directors & the Board as a whole,
- ii. to review performance of the KMP of the Company and

## Report on Corporate Governance (contd.)

iii. to assess the quality, quantity and timeliness of flow of information between the Company management and the Board.

### 7. GENERAL BODY MEETING

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

Financial Year	Date	Time	Venue	Special Resolution (s) Passed, if any
2019- 2020	28th September, 2020	02.00 P.M	Through two-way video conferencing (V.C)/ Other Audio Visual Means (OAVM)	NO
2018-2019	30th September, 2019	10.30A.M	“Aikatan”, EZCC, IA-290, Sector-III, Salt Lake, Kolkata - 700 097	YES*
2017-2018	27th September, 2018	10.30 A.M	“Aikatan”, EZCC, IA-290, Sector-III, Salt Lake, Kolkata - 700 097	NO

No special resolution was passed through postal ballot at the last AGM and no special resolution is proposed to be conducted through postal ballot at the forthcoming AGM to be held on 24th September, 2021.

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

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

Extraordinary General Meeting: During the Financial Year 2020- 21, no Extraordinary General Meeting of the members of the Company was held.

Postal Ballot: During the Financial Year 2020-21, no matter was transacted by way of Postal Ballot.

### 8. DISCLOSURES

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

The Company does not have any related party transactions, which may have potential conflict with the interests of the Company at large. However, disclosure as per Indian Accounting Standard 24 is set out in the Notes to Accounts, forming part of the Annual Report. The Company has disclosed the policy on dealing with the related party transactions on its website at <http://www.kaushalya.net/KIDCORELATED.pdf>.

ii. The Company has followed the prescribed guidelines of IND AS in preparation of its financial statements.

iii. The Company has laid down Risk Assessment and Minimization procedures and the same

## Report on Corporate Governance (*contd.*)

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.
- v. The Company has complied with all the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has submitted the quarterly compliance reports to the Stock Exchanges within the prescribed time limit.
- vi. **Subsidiary Information**

The Company is in compliance with the requirement of Regulation 24 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has a material non-listed Indian subsidiary Company i.e. Bengal KDC Housing Development Limited (CIN- U70101WB2006PLC110153). The Company has also positioned, Mrs. Minoti Nath as Independent Director in Bengal KDC Housing Development Limited.

The Secretarial Audit Report given by M/s. B. K. Barik & Associates, Practicing Company Secretaries, for the financial year 2020- 21 of Bengal KDC Housing Development Ltd is annexed to the Directors' Report of Bengal KDC Housing Development Ltd. for the said financial year. The Minutes of the proceedings of meetings of the Board of Directors of subsidiary Companies are periodically placed before the Board of Directors of the Company and the attention of the Directors is drawn to significant transactions and arrangements entered into by the subsidiary Companies.

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

- vii. The Management Discussion and Analysis Report forms a part of the Annual Report and includes various matters specified under the Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- viii. The CEO/CFO Certificate has been placed before the Board at their meeting held on August 13, 2021 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

## Report on Corporate Governance (*contd.*)

Meeting as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to the Notice convening the Annual General Meeting.

- xii. As stipulated by SEBI, a Reconciliation of Share Capital Audit is carried out by an independent Practicing Company Secretary, Md. Shahnawaz (Membership No. 21427, C.P. No. 15076) on quarterly basis to confirm reconciliation of the issued and listed capital, shares held in dematerialized and physical mode and the status of the register of members.
- xiii. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor.

Details relating to fees paid to the Statutory Auditors are given in Notes 31.1 to the Standalone Financial Statements and Notes 35.1 to the Consolidated Financial Statements.

- xiv. A Certificate from a Company Secretary in Practice that none of the directors on the board of the company as on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority. A Certificate of Company Secretary in practice is annexed herewith as a part of the report.

Other items which are not applicable to the Company have not been separately commented upon.

### 9. CODE OF CONDUCT AND ETHICS AND INSIDER TRADING

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

#### COMPLIANCE WITH CODE OF BUSINESS CONDUCT AND ETHICS

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

In accordance with Regulation 17(5)(a) and 26(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and Senior Management Personnel of the Company have confirmed compliance with the Code of Business Conduct and Ethics for the financial year ended 31st March, 2021

For **Kaushalya Infrastructure Dev Corp Ltd**

Place: Kolkata  
Date: August 13, 2021

Mahesh Mehra  
Whole-time Director  
DIN-00086683

## Report on Corporate Governance (*contd.*)

### 10. MEANS OF COMMUNICATION

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

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

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

### 11. GENERAL SHAREHOLDERS INFORMATION

#### Annual General Meeting

Date and Time: 24th September, 2021 at 2.00 P.M.

Venue: The meeting for F.Y. 2020 -21 will be conducted by way of two-way video conferencing (V.C)/ Other Audio Visual Means (OAVM) facility, ("OAVM"). The venue of the meeting shall be deemed to be the registered office of the company at HB-170, Sector-III, Salt Lake, Kolkata – 700 106

#### Financial Year

The financial year of the Company is from 1st April, 2020 to 31st March, 2021.

#### Financial year calendar for 2021- 22\*

<i>Particulars</i>	<i>Tentative Schedule</i>
Results for the quarter ending 30th June, 2021	Disclosed on August 13, 2021 (Subject to Limited Review)
Results for the quarter ending 30th September, 2021	On or before November 14, 2021 (Subject to Limited Review)
Results for the quarter ending 31st December, 2021	On or before February 14, 2022 (Subject to Limited Review)
Results for the quarter/year ending 31st March, 2022	On or before May 30, 2022 (Audited)

\* Tentative and subject to change.

#### Book Closure Date

18th September, 2021 to 24th September, 2021 (both days inclusive) on account of AGM.

#### Listing of Equity Shares on Stock Exchanges

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



## Report on Corporate Governance (*contd.*)

### Listing Fees

Listing fee for the year 2021- 22 is payable to the National Stock Exchange of India Ltd. and BSE Ltd. where the Company's equity shares are listed.

### Depositories

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

### Corporate Identity Number (CIN)

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

### ISIN No. for the Company

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

### Stock Code

NSE : KAUSHALYA

BSE : 532925

### Market price data

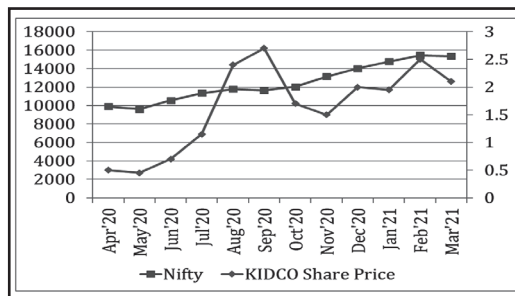
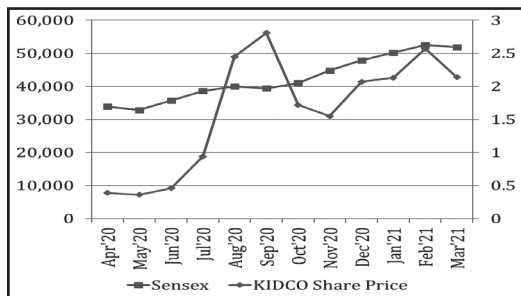
Monthly high, low quotations and trading volumes of the Company's equity shares (Face Value of Rs 10/- each) during the financial year 2020 -21 at BSE and NSE are noted below:

Months	Bombay Stock Exchange Ltd			National Stock Exchange of India Ltd.		
	High	Low	Volume	High	Low	Volume
April, 2020	0.39	0.36	5,050	0.5	0.35	76,380
May, 2020	0.36	0.34	2,550	0.45	0.35	20,520
June, 2020	0.46	0.34	9,990	0.7	0.35	153,830
July, 2020	0.94	0.48	40,850	1.15	0.65	1,295,540
August, 2020	2.45	0.98	281,390	2.4	1.2	1,580,080
September, 2020	2.81	1.65	182,700	2.7	1.75	935,110
October, 2020	1.72	1.35	117,100	1.7	1.35	236,880
November, 2020	1.55	1.29	91,980	1.5	1.3	246,930
December, 2020	2.07	1.34	215,860	2	1.3	508,200
January, 2021	2.13	1.62	200,770	1.95	1.65	263,490
February, 2021	2.57	1.63	372,500	2.5	1.65	567,140
March, 2021	2.14	1.56	400,510	2.1	1.65	411,510

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

## Report on Corporate Governance (contd.)

### Performance of the Company in comparison with broad based indices



### Registrar and Share Transfer Agent

M/s CB Management Services (P) Limited

P-22, Bondel Road, Kolkata-700019

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

Email: rta@cbmsl.com

Website: www.cbmsl.com

### Share Transfer System

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

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

### Shareholding pattern as on March 31, 2021

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

## Report on Corporate Governance (*contd.*)

### Distribution of Shareholding

The distribution of shareholding of the Company as on March 31, 2021 is noted below:

Range of Holding	No. of Shareholders	% on total no. of Shareholders	No. of Shares	% on issued shares
Upto - 500	15156	79.1643	2368294	6.84
501 - 1000	1748	9.1303	1491876	4.31
1001 - 2000	991	5.1763	1570936	4.54
2001 - 3000	350	1.8282	898979	2.60
3001 - 4000	183	0.9559	663010	1.91
4001 - 5000	229	1.1961	1099633	3.18
5001 - 10000	296	1.5461	2214244	6.39
10001- 50000	161	0.8410	2950129	8.52
50001 - 100000	15	0.0783	1098408	3.17
100001 and above	16	0.0836	20275121	58.55
<b>Total</b>	<b>19145</b>	<b>100.0000</b>	<b>34630630</b>	<b>100.00</b>

### Dematerialization of shares and liquidity as on March 31, 2021

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

3,46,30,070 Equity Shares of the Company representing 99.99% of the Company's Equity Share Capital are dematerialized as on March 31, 2021.

### Outstanding convertible instruments, conversion date and likely impact on equity

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

### Address for Correspondence

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

## Report on Corporate Governance (*contd.*)

### 1. **Company Secretary**

Mr. Sanjay Lal Gupta

M/s Kaushalya Infrastructure Development Corporation Ltd.

CIN-L51216WB1992PLC055629

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

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

E –mail: info@kaushalya.net

Website: www.kaushalya.net

### 2. **Registrar and Share Transfer Agent**

M/s. CB Management Services Private Limited

P-22, Bondel Road, Kolkata-700019

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

Email: rta@cbmsl.com

Website: www.cbmsl.com

For and on behalf of the Board

Dated: 13th August, 2021

Registered office:

HB-170, Sector-III, Salt Lake,

Kolkata-700106

CIN-L51216WB1992PLC055629

**Mahesh Mehra**

DIN : 00086683

Whole-time Director

**Sanjay Lal Gupta**

DIN-08850306

Whole-time Director &  
Company Secretary

## Report on Corporate Governance (*contd.*)

### CEO AND CFO CERTIFICATION

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

We, Mahesh Mehra, Executive Director & Whole-time Director and Tarak Nath Mishra, Whole-time Director & Chief Financial Officer to the best of our knowledge and belief certify that:

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

Place: Kolkata

**Mahesh Mehra**

**Tarak Nath Mishra**

Dated: August 13, 2021

Executive Director &  
Whole-time Director

Whole-time Director &  
Chief Financial Officer

## Report on Corporate Governance (*contd.*)

### Auditors' Certificate on Corporate Governance

To  
The members of  
**Kaushalya Infrastructure Development Corporation Limited**

1. This certificate is issued in accordance with the terms of our engagement letter.
2. We have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March, 2021, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

#### **Management's Responsibility**

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

#### **Auditor's Responsibility**

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

#### **Opinion**

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the Listing Regulations during the year ended 31st March, 2021.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For Barkha & Associates**

Chartered Accountants  
Firm Registration No. 327573E

**CA Barkha Agarwal**

Partner

Membership No. 301636

UDIN: 21301636AAAAOC5431

Place: Kolkata

Date: August 13, 2021

## Report on Corporate Governance (*contd.*)

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Kaushalya Infrastructure Development Corporation Limited having Corporate Identity Number: L51216WB1992PLC055629 and having registered office at HB-170, Sector-III, Salt Lake, Kolkata- 700106. (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule-V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company for the financial year ending on March 31, 2021, have been debarred or disqualified from being appointed or continuing as Directors of Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority. Ensuring the eligibility of for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our test check basis verification.

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

Place: Kolkata  
Date: 13-08-2021

B. K. Barik  
B. K. Barik & Associates  
Practicing Company Secretary  
C.P. No.: 3897, FCS: 5696  
UDIN-F005696C000860319

## Standalone Financials

### Independent Auditors' Report

To the Members of

KAUSHALYA INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED

Report on the Standalone Ind AS Financial Statements

#### OPINION

We have audited the accompanying Standalone Financial Statements of KAUSHALYA INFRASTRUCTURE DEVELOPMENT CORPORATION LTD. ("the Company"), which comprise the Balance sheet as at March 31, 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### BASIS FOR OPINION

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

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

#### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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



## Independent Auditors' Report (*contd.*)

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Standalone Financial Statements and our auditors' report thereon.

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

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

### RESPONSIBILITIES OF MANAGEMENT FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records

in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

## Independent Auditors' Report (*contd.*)

economic decisions of users taken on the basis of these Standalone Financial Statements.

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

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if

such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Independent Auditors' Report (*contd.*)

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order;
2. As required by Section 143(3) of the Act, we report that:
  - A) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - B) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - C) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - D) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - E) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
  - F) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Standalone Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - G) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
  - H) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Notes to the Standalone Financial Statements;
    - The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
    - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For Barkha & Associates**  
Firm Regn. No. 327573E  
Chartered Accountants

**CA Barkha Agarwal**  
Partner  
Membership No. 301636

Place: Kolkata UDIN NO. 21301636AAAAMO6949  
Date: 30th June, 2021

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

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

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme for physical verification in a phased periodic manner, which, in our opinion, is reasonable having regards to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to information and explanations given by the management, the title deeds/ lease deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, LLP or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clauses 3(iii) (a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) According to the information and explanations given to us, in our opinion, in respect of loans, investment, guarantees and security, provisions of section 185 and 186 of the Act have been complied with by the company.
- (v) The Company has not accepted any deposits

within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company.

- (vi) In our opinion and according to the information and explanation given to us, in respect of goods produced by the company, maintenance of cost records has not been specified by the Central Government under section 148(1) of the Act.
- (vii)(a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident fund, Employees’ State Insurance, Income-tax, Sales-tax, Goods and Services tax, Service tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and Other Statutory Dues applicable to it except some dues amounting Rs.1879.39 lakhs.
- (b) According to the information and explanations provided to us, no undisputed amounts payable in respect of Provident fund, Employees’ State Insurance, Income-tax, Sales Tax, Goods and Service tax, Service tax, Duty of custom, Duty of excise, Value added tax, Cess and Other Statutory Dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues of Income-tax, Sales-tax, Service tax, Duty of Custom, Duty of Excise, Value added tax and Cess which have not been deposited on March 31, 2021 on account of any dispute, are as follows:

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

Name of the Statute	Nature of Dues	Amount (in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act,1961	Income Tax	16.34	Assessment Year 2004-05	Appeal to be file before CIT(APPEALS)
Income Tax Act,1961	Income Tax	30.89	Assessment Year 2009-10	I.T. Appellate Tribunal dismissed and company will pay.
Income Tax Act,1961	Income Tax	73.72	Assessment Year 2010-11	I.T. Appellate Tribunal dismissed and company will pay.
Income Tax Act,1961	Income Tax	1044.46	Assessment Year 2012-13	C.I.T(Appeal)
Income Tax Act,1961	Income Tax	449.20	Assessment Year 2013-14	I.T. Appellate Tribunal
Income Tax Act,1961	Income Tax	734.86	Assessment Year 2014-15	C.I.T(Appeal)
Income Tax Act,1961	Income Tax	0.05	Assessment Year 2017-18	CIT(Appeal)
WBVAT Act,2003	VAT	817.10	Financial Year 2007-08	W.B. Taxation Tribunal
WBVAT Act,2003	VAT	69.48	Financial Year 2008-09	Writ petition to be filled in Kolkata High Court

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

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

- (xiii) According to the information and explanations provided by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations provided to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures
- (xv) During the year under review and hence, reporting requirements under clause 3(xiv) of the Order are not applicable to the Company and, not commented upon.
- (xvi) According to the information and explanations provided by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvii) According to the information and explanations provided to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

**For Barkha & Associates**

Firm Regn. No. 327573E

Chartered Accountants

**CA Barkha Agarwal**

Partner

Place: Kolkata

Membership No. 301636

Date: 30th June, 2021

UDIN NO. 21301636AAAAMO6949

## Annexure “2” to Independent Auditors’ Report

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

We have audited the internal financial controls over financial reporting of KAUSHALYA INFRASTRUCTURE DEVELOPMENT CORPORATION LTD. (“the Company”) as of March 31, 2021 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

### MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

to the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.



## Annexure “2” to Independent Auditors’ Report

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

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

### **MEANING OF INTERNAL FINANCIAL CONTROL OVER FINANCIAL REPORTING WITH REFERENCE TO THESE FINANCIAL STATEMENTS**

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

prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

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

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

### **OPINION**

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls system over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2021, 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 Barkha & Associates**  
Firm Regn. No. 327573E  
Chartered Accountants

**CA Barkha Agarwal**  
Partner

Place: Kolkata Membership No. 301636  
Date: 30th June, 2021 UDIN NO. 21301636AAAAMO6949

## Balance Sheet as at 31st March, 2021

(₹ in lakhs)

Particulars	Notes	As at 31.03.2021	As at 31.03.2020
<b>(I) ASSETS</b>			
<b>(1) Non-current assets</b>			
a) Property, plant and equipment	4	129.00	182.00
b) Investment property	5	266.07	266.07
		<u>395.07</u>	<u>448.07</u>
c) Investments in subsidiaries and associates	6	215.33	215.33
d) Financial assets			
i) Investments	6	5,204.98	5,205.11
ii) Loans	7	201.16	265.76
e) Deferred tax asset (net)	8	466.48	600.82
f) Income tax assets (net)	9	372.44	576.91
g) Other non-current assets	10	306.03	-
		<u>7,161.49</u>	<u>7,312.00</u>
<b>(2) Current Assets</b>			
a) Inventories	11	5.26	46.30
b) Financial assets			
i) Trade receivables	12	470.28	1,377.30
ii) Cash and cash equivalents	13	6.41	12.72
iii) Other balances with Bank	13	39.85	30.86
iv) Loans and advances	14	231.89	307.78
v) Other financial assets	15	4.32	386.99
c) Other current assets	16	9.71	0.98
		<u>767.72</u>	<u>2,162.93</u>
<b>TOTAL ASSETS</b>		<u><b>7,929.21</b></u>	<u><b>9,474.93</b></u>
<b>(II) EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
a) Equity share capital	17	3,463.06	3,463.06
b) Other equity	18	566.41	566.26
		<u>4,029.47</u>	<u>4,029.32</u>
<b>(2) Non-current liabilities</b>			
a) Provisions	19	8.46	8.46
		<u>8.46</u>	<u>8.46</u>
<b>(3) Current liabilities</b>			
a) Financial liabilities			
i) Borrowings	20	3,490.63	3,956.55
ii) Trade payables	21		
– Total outstanding dues to micro, small and medium enterprise		-	-
– Total outstanding dues to creditors other than micro, small and medium enterprise		57.92	1,063.10
iii) Other financial liabilities	22	25.79	56.41
b) Other current liabilities	23	316.94	361.09
		<u>3,891.28</u>	<u>5,437.15</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>7,929.21</b></u>	<u><b>9,474.93</b></u>

See accompanying notes forming part of the financial statements

As per terms of our report attached.

For and on behalf of the Board of Directors

**For Barkha & Associates**

Firm Regn. No. 327573E

*Chartered Accountants*
**Barkha Agarwal**
*Partner*

Membership No. 301636

Place : Kolkata

30th June, 2021

<b>Mahesh Mehra</b>	<b>Tarak Nath Mishra</b>	<b>Sanjay Lal Gupta</b>
Whole-time Director	Whole-time Director & CFO	Whole-time Director Company Secretary



**Statement of Profit and Loss for the year ended 31st March, 2021**

(₹ in lakhs)

Particulars	Notes	For the year ended	For the year ended
		31.03.2021	31.03.2020
1) Revenue from operations	24	227.34	18.05
2) Other income	25	526.18	81.47
<b>3) Total Income (1) + (2)</b>		<b>753.52</b>	<b>99.52</b>
<b>4) EXPENSES</b>			
a) Cost of materials consumed	26	11.06	4.16
b) Changes in inventories of finished goods and work in progress	27	41.04	–
c) Employee benefits expense	28	21.64	25.44
d) Finance costs	29	75.77	69.62
e) Depreciation expense	30	38.38	42.13
f) Other expenses	31	194.47	538.46
<b>Total Expenses (4)</b>		<b>382.36</b>	<b>679.81</b>
<b>5) Profit/ (loss) before tax (3) - (4)</b>		<b>371.16</b>	<b>(580.29)</b>
<b>6) Tax Expense</b>	32		
a) Current tax			
i) Current tax for current year		–	–
ii) Current tax for the earlier years		236.54	–
b) Deferred tax		–	–
i) Deferred tax for current year		134.34	(33.31)
<b>Total tax expense (6)</b>		<b>370.88</b>	<b>(33.31)</b>
<b>7) Profit/ (loss) for the year (5) - (6)</b>		<b>0.28</b>	<b>(546.98)</b>
<b>8) Other comprehensive income</b>			
a) Items that will be reclassified to statement of profit and loss		–	–
b) Items that will not be reclassified to statement of profit and loss		–	–
i) Changes in fair value of equity instruments		(0.13)	(208.99)
ii) Income Tax relating to items above		–	–
<b>Total other comprehensive income (8)</b>		<b>(0.13)</b>	<b>(208.99)</b>
<b>9) Total comprehensive income for the year (7) + (8)</b>		<b>0.15</b>	<b>(755.97)</b>
<b>10) Earnings per equity share: (Face value of share of Rs 10 each)</b>	33		
a) Basic		–	(1.58)
b) Diluted		–	(1.58)

See accompanying notes forming part of the financial statements

As per terms of our report attached.

For and on behalf of the Board of Directors

**For Barkha & Associates**

Firm Regn. No. 327573E

Chartered Accountants

**Barkha Agarwal**

Partner

Membership No. 301636

Place : Kolkata

30th June, 2021

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

## Cash Flow Statement for the year ended 31st March, 2021

Particulars	(₹ in lakhs)	
	For the year ended 31.03.2021	For the year ended 31.03.2020
<b>A. Cash Flow from Operating activities:</b>		
<b>Profit/ (loss) before tax</b>	<b>371.16</b>	<b>(580.29)</b>
<i>Adjustments for:</i>		
Depreciation expense	38.38	42.13
Loss on sale of shares	–	81.17
Loss Allowance for trade receivables	61.90	1.20
Finance cost	75.77	69.62
Interest income	(2.38)	(2.50)
Loss Allowance created/(reversed) on security deposits	(56.78)	331.25
Profit on sale of Property, plant and equipment	(0.39)	–
Liabilities/provision no longer required written back	(90.89)	(78.93)
<b>Operating profit before working capital changes</b>	<b>396.77</b>	<b>(136.35)</b>
<i>Adjustments for changes in operating assets/ liabilities</i>		
Inventories	41.04	0.58
Trade receivables	845.12	0.01
Loans and advances	197.27	13.13
Other non-current assets	(306.03)	–
Other current assets	(8.73)	67.67
Other financial assets	383.18	–
Trade Payables	(914.29)	21.58
Current financial liabilities	(30.62)	(21.03)
Other current liabilities	(44.15)	(40.22)
<b>Cash generated from operations</b>	<b>559.56</b>	<b>(94.63)</b>
Direct taxes refunded/ (paid)	(32.07)	31.40
<b>Net cash generated from/ (used in) operating activities</b>	<b>527.49</b>	<b>(63.23)</b>
<b>B. Cash Flow from Investing activities:</b>		
Proceeds/ (Repayment) in fixed deposit held as margin	(8.99)	7.09
Proceeds from sale of Investments in equity instruments	–	49.99
Proceeds from sale of Property, plant and equipment	15.01	–
Interest received	1.87	1.95
<b>Net cash generated from/ (used in) investing activities</b>	<b>7.89</b>	<b>59.03</b>

**Cash Flow Statement for the year ended 31st March, 2021 (contd.)**

Particulars	(₹ in lakhs)	
	For the year ended 31.03.2021	For the year ended 31.03.2020
<b>C. Cash Flow from Financing activities:</b>		
Proceeds/ (Repayments) of current borrowings		
- From banks	(550.00)	(156.55)
- From group companies	14.51	167.39
Interest paid	(6.20)	(8.43)
<b>Net cash generated from/ (used in) financing activities</b>	<b>(541.69)</b>	<b>2.41</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(6.31)</b>	<b>(1.79)</b>
<b>Cash and cash equivalents as at 1 April<sup>1</sup></b>	<b>12.72</b>	<b>14.51</b>
<b>Cash and cash equivalents as at 31 March<sup>1</sup></b>	<b>6.41</b>	<b>12.72</b>

See accompanying notes forming part of the financial statements

1. Cash and cash equivalents represents cash, cheques on hand and balances with banks. (Refer Note. 13)
2. Interest accrued and converted into loan amounting to 69.57 lacs ( P.Y. Rs. 61.19 lacs) being a non-cash item have not been considered above.
3. Figures in brackets represent outflows.

As per terms of our report attached.

For and on behalf of the Board of Directors

**For Barkha & Associates**

Firm Regn. No. 327573E

Chartered Accountants

**Barkha Agarwal**

Partner

Membership No. 301636

Place : Kolkata

30th June, 2021

**Mahesh Mehra**  
Whole-time Director

**Tarak Nath Mishra**  
Whole-time Director  
& CFO

**Sanjay Lal Gupta**  
Whole-time Director  
Company Secretary

## Statement of Changes in Equity for the year ended 31st March, 2021

### A. Equity Share Capital

Particulars	Amount ₹ in lakhs
Balance as at April 1, 2019	3,463.06
Changes in equity share capital during the year	-
Balance as at March 31, 2020	3,463.06
Changes in equity share capital during the year	-
<b>Balance as at March 31, 2021</b>	<b>3,463.06</b>

### B. Other Equity

₹ in lakhs

Statement of changes in Equity	Reserves and surplus		Retained earnings		Total Equity
	Securities Premium	General Reserve	Investment Revaluation Reserve	Retained Earnings	
Balance at April 1, 2019	4,793.85	484.87	-	(3,956.49)	1,322.23
Profit/ (Loss) for the year	-	-	-	(546.98)	(546.98)
Other Comprehensive Income	-	-	(208.99)	-	(208.99)
Balance at March 31, 2020	4,793.85	484.87	(208.99)	(4,503.47)	566.26
Profit/ (Loss) for the year	-	-	-	0.28	0.28
Other Comprehensive Income	-	-	(0.13)	-	(0.13)
<b>Balance at March 31, 2021</b>	<b>4,793.85</b>	<b>484.87</b>	<b>(209.12)</b>	<b>(4,503.19)</b>	<b>566.41</b>

See accompanying notes forming part of the financial statements

As per terms of our report attached.

For and on behalf of the Board of Directors

#### For Barkha & Associates

Firm Regn. No. 327573E

Chartered Accountants

**Barkha Agarwal**

Partner

Membership No. 301636

Place : Kolkata

30th June, 2021

**Mahesh Mehra**  
Whole-time Director

**Tarak Nath Mishra**  
Whole-time Director  
& CFO

**Sanjay Lal Gupta**  
Whole-time Director  
Company Secretary

## Notes forming part of the Financial Statements

### 1. General corporate information

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

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

### 2. Application of new and revised Ind As

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

- a. Amendment to Ind AS 116 – Leases - COVID 19 related rent concessions
- b. Amendments to Ind AS 109 – Financial Instruments - IBOR Reforms  
The changes to the above standards did not have any impact on the Company.

### 3. Summary of significant accounting policies

#### 3.01 Statement of compliance

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

#### 3.02 Basis of preparation and presentation

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

These separate financial statements of the Company are prepared under the historical cost except for certain financial instruments that are measured at fair value at end of each reporting

period. Historical cost is generally based on fair value of the consideration given in exchange for goods and services.

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

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

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

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the

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

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

### 3.03 Use of Estimates

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

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

### 3.04 Revenue recognition

The Company has following major sources of revenue:

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

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

### 3.04.01 Construction activities

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

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

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

### 3.04.02 Hotel Operations

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

### 3.04.03 Other services / activities

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

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

Revenue from hire charges are recognized overtime.

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

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

### 3.04.04 Other Income

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

### 3.05 Employee Benefits

#### 3.05.01 Short-term benefits

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

#### 3.05.02 Defined retirement benefits

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

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

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements); and

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

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

### 3.06 Taxation

#### i) Current tax

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

#### ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the separate financial statements and the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that is probable that taxable profits will be

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

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

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

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

### iii) **Minimum alternate tax**

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

### iv) **Current tax and deferred tax**

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

combination, are included in the accounting for the business combination.

### 3.07 **Property, Plant and equipment**

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

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

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

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

Estimated useful lives of the assets are as follows:

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



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

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

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

### 3.08 Borrowing Costs

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

### 3.09 Impairment of tangible and intangible assets other than goodwill

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

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks

specific to the asset for which the estimates of future cash flows have not be adjusted.

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

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

### 3.10 Inventories

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

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

### 3.11 Provisions, Contingent liabilities and Contingent assets

#### 3.11.01 Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

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

When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

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

### 3.11.02 Onerous contracts

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

### 3.11.03 Contingent liabilities and assets

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

### 3.12 Leases

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (leases with a lease term of 12 months or less) and leases of low value assets. For short term leases and leases of low value assets, the Company recognises the lease

payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

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

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

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

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

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

### 3.13 Investments in subsidiaries, joint ventures and associates

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

### 3.14 Financial instruments

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

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

### 3.15 Financial assets

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

#### 3.15.01 Classification of financial assets

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

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

that are solely payments of principal and interest on the principal outstanding.

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

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

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

All other financial assets are subsequently measured at fair value.

#### 3.15.02 Effective interest method

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

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

a shorter period to the net carrying amount on initial recognition.

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

### 3.15.03 Investments in equity instruments at FVTOCI

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

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

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

Financial assets which meets the criteria of financial assets held for trading are designated as ‘Financial Assets at FVTPL’. The Company has

derivatives that are not designated and effective as a hedge instrument which are designated as ‘Financial Assets at FVTPL’. Financial assets at FVTPL are measured at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in Statement Profit and Loss.

### 3.15.05 Impairment of financial assets

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

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

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

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

again measures the loss allowance based on 12 month expected credit losses.

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

### 3.15.06 Derecognition of financial assets

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

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

Statement of Profit and Loss on disposal of that financial asset.

## 3.16 Financial liabilities and equity instruments

### 3.16.01 Classification as debt or equity

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

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

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

### 3.16.02 Financial liabilities

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

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

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit and loss. The net gain or loss recognised in profit and loss

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

incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

### **3.16.03 Financial liabilities subsequently measured at amortised cost**

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

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

### **3.16.04 Derecognition of financial liabilities**

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

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

### **3.17 Joint Venture Operations**

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

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

### **3.18 Operating Cycle**

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

### **3.19 Rounding Off**

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

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

₹ in lakhs

## 04. Property, plant and equipment

	Freehold Building	Plant and Machinery	Furniture and fixtures	Motor Vehicles	Office equipments	Total
<b>Cost or deemed cost</b>						
Balance at April 1, 2019	78.50	272.69	1.75	0.67	0.26	353.87
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Balance at March 31, 2020	78.50	272.69	1.75	0.67	0.26	353.87
Additions	-	-	-	-	-	-
Disposals	-	(103.71)	-	-	-	(103.71)
<b>Balance at March 31, 2021</b>	<b>78.50</b>	<b>168.98</b>	<b>1.75</b>	<b>0.67</b>	<b>0.26</b>	<b>250.16</b>
<b>Accumulated depreciation</b>						
Balance at April 1, 2019	4.62	122.65	1.64	0.57	0.26	129.74
Depreciation expense	1.54	40.54	0.03	0.02	-	42.13
Disposals	-	-	-	-	-	-
Balance at March 31, 2020	6.16	163.19	1.67	0.59	0.26	171.87
Depreciation expense	1.54	36.80	0.02	0.02	-	38.38
Disposals	-	(89.08)	-	-	-	(89.08)
<b>Balance at March 31, 2021</b>	<b>7.70</b>	<b>110.91</b>	<b>1.69</b>	<b>0.61</b>	<b>0.26</b>	<b>121.17</b>
<b>Carrying amount</b>						
Balance at April 1, 2019	73.88	150.04	0.11	0.10	-	224.13
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Depreciation expense	(1.54)	(40.54)	(0.03)	(0.02)	-	(42.13)
Balance at March 31, 2020	72.34	109.50	0.08	0.08	-	182.00
Additions	-	-	-	-	-	-
Disposals	-	(14.62)	-	-	-	(14.62)
Depreciation expense	(1.54)	(36.80)	(0.02)	(0.02)	-	(38.38)
<b>Balance at March 31, 2021</b>	<b>70.80</b>	<b>58.08</b>	<b>0.06</b>	<b>0.06</b>	-	<b>129.00</b>

Note:

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



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

	As at 31.03.2021 Rs in lakhs	As at 31.03.2020 Rs in lakhs
<b>5 Investment property</b>		
<b>Investment in land</b>		
Opening balance	266.07	266.07
Additions	-	-
Closing balance	<u>266.07</u>	<u>266.07</u>

### Estimation of fair value

The Company's investment property consists of freehold land in Telengana and, West Bengal, India. The fair value of the investment property is based on current prices for similar property. The main inputs used are quantum, area, location, demand, and trend of fair market value in the area.

The fair value is determined by an accredited independent valuer. Fair valuation is based on market approach method and categorised as Level 2 fair value hierarchy as at 31 March 2021 and 31 March 2020, the fair values of the property are 502 lakhs and 471 lakhs respectively.

	As at 31.03.2021			As at 31.03.2020	
	Amount Face value per share	Qty Nos.	Amount Rs in lakhs	Qty Nos.	Amount Rs in lakhs
<b>6 Non-current investments</b>					
<b>(A) Investments in subsidiaries (carried at cost)</b>					
<b>Unquoted Investments (all fully paid)</b>					
<b>Investments in Equity Instruments of</b>					
KDC Nirman Limited	10.00	1,02,000	10.20	1,02,000	10.20
Bengal KDC Housing Development Limited	10.00	1,02,000	10.20	1,02,000	10.20
Kaushalya Energy Private Limited	10.00	95,500	9.55	95,500	9.55
		<u>2,99,500</u>	<u>29.95</u>	<u>2,99,500</u>	<u>29.95</u>
		<u>2,99,500</u>	<u>29.95</u>	<u>2,99,500</u>	<u>29.95</u>
<b>(B) Investments in associates (carried at cost)</b>					
<b>Unquoted Investments (all fully paid)</b>					
<b>Investments in Equity Instruments of</b>					
Kaushalya Township Private Limited	10.00	3,17,357	155.08	3,17,357	155.08
Kaushalya Nirman Private Limited	10.00	46,000	19.40	46,000	19.40
Orion Abasaan Private Limited	10.00	29,000	10.90	29,000	10.90
		<u>3,92,357</u>	<u>185.38</u>	<u>3,92,357</u>	<u>185.38</u>
		<u>6,91,857</u>	<u>215.33</u>	<u>6,91,857</u>	<u>215.33</u>
<b>(C) Investments</b>					
<b>Total Investments carrying value</b>					
<b>Investments in Equity Shares (carried at fair value through Other Comprehensive Income):</b>					
<b>Unquoted Investments (all fully paid)</b>					
<b>Investments in Equity Instruments of:</b>					
Enlightened Projects Limited*	10.00	1,95,500	244.75	1,95,500	244.81
Orkay Engineering Limited*	10.00	8,53,000	266.05	8,53,000	266.12
Flare Realty Engineering Private Limited	10.00	2,600	0.09	2,600	0.09
		<u>1,051,100</u>	<u>510.89</u>	<u>1,051,100</u>	<u>511.02</u>
<b>Investments in Preference Shares of:</b>					
<b>Subsidiary</b>					
<b>Investments in 10% Non-cumulative Redeemable Preference Shares of:</b>					
Bengal KDC Housing Development Limited	10.00	10,973,283	1,097.33	10,973,283	1,097.33
<b>Associates</b>					
<b>Investments in 10% Non-cumulative Redeemable Preference Shares of:</b>					
Kaushalya Township Private Limited	10.00	3,498,630	1,994.22	3,498,630	1,994.22
Kaushalya Nirman Private Limited	10.00	8,79,968	510.38	8,79,968	510.38



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

Orion Abasaan Private Limited	10.00	19,85,740	1,092.16	19,85,740	1,092.16
		<u>17,337,621</u>	<u>4,694.09</u>	<u>17,337,621</u>	<u>4,694.09</u>
		<u>18,388,721</u>	<u>5,204.98</u>	<u>18,388,721</u>	<u>5,205.11</u>
Aggregate amount of unquoted investments			<u>5,420.31</u>		<u>5,420.44</u>

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

		As at 31.03.2021	As at 31.03.2020
		<u>₹ in lakhs</u>	<u>₹ in lakhs</u>
<b>7 Loans (Non Current)</b>			
(Unsecured considered good)			
Security deposits (carried at amortised cost)		1,075.51	1,198.95
Less: Loss allowance		(877.21)	(933.99)
Deposits with govt authorities		2.86	0.80
		<u>201.16</u>	<u>265.76</u>
<b>8 Deferred tax assets (net)</b>			
Deferred tax assets		481.88	622.93
Deferred tax liabilities		(15.40)	(22.11)
		<u>466.48</u>	<u>600.82</u>
<b>For the year ended 31.03.2021</b>	<b>Opening balance</b>	<b>Recognised in</b>	<b>Closing Balance</b>
	<b>Rs in lakhs</b>	<b>profit and loss</b>	<b>Rs in lakhs</b>
		<b>Rs in lakhs</b>	
Deferred tax (liabilities)/assets in relation to:			
Property, plant and equipment	(22.11)	(6.71)	(15.40)
Brought forward tax losses	620.73	141.05	479.68
Provision for employee benefits	2.20	-	2.20
	<u>600.82</u>	<u>134.34</u>	<u>466.48</u>
<b>For the year ended 31.03.2020</b>			
Deferred tax (liabilities)/assets in relation to:			
Property, plant and equipment	(29.05)	(6.94)	(22.11)
Brought forward tax losses	594.36	(26.37)	620.73
Provision for employee benefits	2.20	-	2.20
	<u>567.51</u>	<u>(33.31)</u>	<u>600.82</u>

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

	As at 31.03.2021	As at 31.03.2020
	<u>Rs in lakhs</u>	<u>Rs in lakhs</u>
<b>9 Income tax assets (net of provision)</b>		
At beginning of year	576.91	608.31
Advance tax paid / (refunded)	(484.39)	(31.80)
Provision offset against advance taxes	279.92	0.40
At end of year- Advance tax/ (Provision for Tax)	<u>372.44</u>	<u>576.91</u>

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

	As at 31.03.2021 <u>Rs in lakhs</u>	As at 31.03.2020 <u>Rs in lakhs</u>
<b>10. Other non-current assets</b>		
Capital Advances	306.03	–
	<u>306.03</u>	<u>–</u>
<b>11. Inventories (At lower of cost and net realisable value)</b>		
a) Work in progress (At lower of cost and net realisable value)	–	41.04
b) Raw materials (At lower of cost and net realisable value)	5.26	5.26
	<u>5.26</u>	<u>46.30</u>
<b>12. Trade receivables (Current)</b>		
a) Unsecured, considered good	470.28	1,377.30
b) Unsecured, considered doubtful	1,263.10	1,201.20
Less: Allowance for Expected credit losses	(1,263.10)	(1,201.20)
	<u>470.28</u>	<u>1,377.30</u>
<b>Details for trade receivables:</b>		
a) Receivables considered good - Secured	–	–
b) Receivables considered good - Unsecured	470.28	1,377.30
c) Receivables which have significant increase in Credit Risk	–	–
d) Receivables - credit impaired	1,263.10	1,201.20
Less: Allowance for Expected credit losses	(1,263.10)	(1,201.20)
	<u>470.28</u>	<u>1,377.30</u>
<b>Movement in the expected credit loss allowance</b>		
Balance at beginning of the year	(1,201.20)	(1,200.00)
Expected credit loss allowance created on trade receivables (Net), calculated at lifetime expected credit losses	(61.90)	(1.20)
Balance at end of the year	<u>(1,263.10)</u>	<u>(1,201.20)</u>
<b>Note:-</b> There are certain contracts against which litigations are pending with various forums for dispute resolution. While creating provision for expected credit loss, the same has been considered.		
<b>13. Cash and bank equivalents</b>		
a) Cash and cash equivalents		
i) Cash in hand	1.64	1.46
iii) Remittance in transit		
ii) Balances with banks		
In current accounts	4.77	11.26
<b>Total cash and cash equivalents</b>	<u>6.41</u>	<u>12.72</u>
b) Other bank balances		
i) In deposit account (Unencumbered)	–	–
ii) In deposit account (held as Margin/against Earnest Money Deposit/Performance Security/Others)	39.85	30.86
<b>Total other balances with bank</b>	<u>39.85</u>	<u>30.86</u>
<b>Total cash and bank balances</b>	<u>46.26</u>	<u>43.58</u>
Included above		
i) Earmarked balance held as Margin/ against Earnest Money Deposit/Performance Security/Others	39.85	30.86

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

	As at 31.03.2021 <u>Rs in lakhs</u>	As at 31.03.2020 <u>Rs in lakhs</u>
<b>14. Loans and advances (Current)</b>		
a) Security Deposits	231.09	307.00
Less: Loss Allowance		
b) Advance to staff	<u>0.80</u>	<u>0.78</u>
	<u><b>231.89</b></u>	<u><b>307.78</b></u>
<b>15. Other financial assets (Current)</b>		
a) Interest accrued on financial assets carried at amortised cost	4.32	3.81
b) Other receivables	<u>–</u>	<u>383.18</u>
	<u><b>4.32</b></u>	<u><b>386.99</b></u>
<b>16. Other current assets</b>		
a) Balances with government authorities	9.33	–
b) Other Advances	<u>0.38</u>	<u>0.98</u>
	<u><b>9.71</b></u>	<u><b>0.98</b></u>
<b>17. Share capital</b>		
<b>Authorised:</b>		
3,50,00,000 Equity Shares of Rs. 10 each	3,500.00	3,500.00
(as at March 31, 2020 : 3,50,00,000 Equity Shares of Rs. 10/- each)	<b>3,500.00</b>	<b>3,500.00</b>
<b>Issued, Subscribed and fully paid up:</b>		
3,46,30,630 Equity Shares of Rs. 10 each	3,463.06	3,463.06
(as at March 31, 2020 : 3,46,30,630 Equity Shares of Rs. 10/- each)	<u>3,463.06</u>	<u>3,463.06</u>

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

	For the year ended 31.03.2021		For the year ended 31.03.2020	
	No. of Shares	Amount Rs in lakhs	No. of Shares	Amount Rs in lakhs
<b>Equity shares</b>				
<b>Issued, subscribed and fully paid up:</b>				
At beginning and end of the year	346,30,630	3,463.06	346,30,630	3,463.06

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

	As at 31.03.2021		As at 31.03.2020	
	No. of Shares	%	No. of Shares	%
Mahanti Engineers Private Limited	50,82,600	14.68%	50,82,600	14.68%
Sun Kissed Merchandise Private Limited	50,22,900	14.50%	50,22,900	14.50%
Keleenworth Marketing Private Limited	43,36,350	12.52%	43,36,350	12.52%

### Rights, preferences and restrictions attached to shares

#### Equity Shares

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

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

	As at 31.03.2021	As at 31.03.2020
	<u>Rs in lakhs</u>	<u>Rs in lakhs</u>
<b>18. Other Equity</b>		
a) Securities premium	4,793.85	4,793.85
b) General reserve	484.87	484.87
c) Retained Earnings	(4,503.19)	(4,503.47)
d) Investment revaluation reserve	(209.12)	(208.99)
	<u>566.41</u>	<u>566.26</u>
<b>a) Securities premium</b>		
Balance as at the beginning and end of the year	4,793.85	4,793.85
	<u>4,793.85</u>	<u>4,793.85</u>
<p>Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of Section 52 of the Companies Act, 2013</p>		
<b>b) General reserve - Balance brought forward</b>		
Balance as at the beginning and end of the year	484.87	484.87
	<u>484.87</u>	<u>484.87</u>
<p>Under the erstwhile Indian Companies Act, 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn though the Company may transfer such percentage of its profits for the financial year as it may consider appropriate. Declaration of dividend out of such reserve shall not be made except in accordance with rules prescribed in this behalf under the Act.</p>		
<b>c) Retained earnings</b>		
Balance as at the beginning of the year	(4,503.47)	(3,956.49)
Profit/ (loss) for the year	0.28	(546.98)
<b>Balance as at the end of the year</b>	<u>(4,503.19)</u>	<u>(4,503.47)</u>
<p>Retained Earnings are the profits and gains that the Company has earned till date and adjustments done on transition to Ind AS, less any transfer to general reserve, dividends or other distributions paid to shareholders.</p>		
<b>d) Investment revaluation reserve</b>		
Balance as at the beginning of the year	(208.99)	-
Changes during the year	(0.13)	(208.99)
<b>Balance as at the end of the year</b>	<u>(209.12)</u>	<u>(208.99)</u>
<p>The Company has elected to recognise changes in the fair value of certain investments in equity instruments in Other Comprehensive Income. These changes are accumulated within the FVOCI equity investments reserve within equity. The Company transfers amounts from this reserve to Retained Earnings when the relevant equity shares are derecognised.</p>		
<b>19 Provisions</b>		
a) Provision for employee benefits (Gratuity) [Refer Note 35.02]	8.46	8.46
	<u>8.46</u>	<u>8.46</u>
<b>20 Current Borrowings</b>		
<b>A. Secured - at amortised cost</b>		
a) Repayable on demand		
a) From banks	2,440.06	2,990.06
<b>Total secured borrowings</b>	<u>2,440.06</u>	<u>2,990.06</u>
<b>B. Un Secured - at amortised cost</b>		
a) Unsecured loans from group companies	1,050.57	966.49
<b>Total unsecured borrowings</b>	<u>1,050.57</u>	<u>966.49</u>
<b>Total borrowings</b>	<u>3,490.63</u>	<u>3,956.55</u>

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

	As at 31.03.2021 Rs in lakhs	As at 31.03.2020 Rs in lakhs
<b>21. Trade Payables</b>		
a) Total outstanding dues of micro enterprises and small enterprises	–	–
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	57.92	1,063.10
<b>Total trade payables</b>	<b>57.92</b>	<b>1,063.10</b>
<b>Note:-</b> The company does not have any outstanding dues to micro, small and medium enterprise for more than 45 days during the period and as on March 31, 2021 since it has not received any declaration/notice/letters from its creditors certifying or indicating them as Micro Small and Medium Enterprises.		
<b>22. Other financial liabilities</b>		
Security Deposits	25.79	56.41
	<b>25.79</b>	<b>56.41</b>
<b>23 Other Current Liabilities</b>		
a) Advance received from customers	230.66	230.66
b) Advance from Joint Venture	84.00	89.65
c) Employee recoveries and employer's contributions	0.12	0.10
d) Statutory dues	2.16	40.68
<b>Total other liabilities</b>	<b>316.94</b>	<b>361.09</b>
	<b>For the year ended 31.03.2021 Rs in lakhs</b>	<b>For the year ended 31.03.2020 Rs in lakhs</b>
<b>24 Revenue from operations</b>		
Revenue from contract with customers		
a) Contracts receipts#	214.16	–
b) Receipts from hotel	10.44	11.68
c) Revenue from agricultural business	2.74	6.37
<b>Revenue from Operations</b>	<b>227.34</b>	<b>18.05</b>
Revenue recognised at a point in time	13.18	18.05
Revenue recognised overtime	<b>214.16</b>	–
#Revenue from Contract receipts under Revenue from Contract with Customers for the year ended March 31, 2021, includes Rs. 205.23 lakhs relating to contract work (including cost escalations) on reaching out a settlement through conciliation and closure of the Arbitration with National Highways Authority of India (NHAI).		
<b>25. Other income</b>		
a) Interest income on financial assets carried at amortised cost		
i) From fixed deposits	2.38	2.50
b) Liabilities/provision no longer required written back	90.89	78.93
c) Profit on sale of property, plant and equipment	0.39	–
d) Miscellaneous income#	432.52	0.04
<b>Total other income</b>	<b>526.18</b>	<b>81.47</b>
#Other income for the year ended March 31, 2021, includes Rs. 432.52 lakhs relating to delayed payment interest on reaching out a settlement through conciliation and closure of the Arbitration with National Highways Authority of India (NHAI).		

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

	For the year ended 31.03.2021 Rs in lakhs	For the year ended 31.03.2020 Rs in lakhs
<b>26 Cost of materials consumed</b>		
Raw materials consumed		
Opening stock of material	5.26	5.84
Add: Purchases	11.06	3.58
	<u>16.32</u>	<u>9.42</u>
Less: Closing stock of material	5.26	5.26
<b>Total cost of materials consumed</b>	<u><u>11.06</u></u>	<u><u>4.16</u></u>
<b>27 Changes in inventories of finished goods and work in progress</b>		
<b>Inventories at the beginning of the year</b>		
Work-in-progress	41.04	41.04
	<u>41.04</u>	<u>41.04</u>
<b>Inventories at the end of the year</b>		
Work-in-progress	-	41.04
	-	41.04
<b>Net (increase)/decrease in inventories</b>	<u><u>41.04</u></u>	<u><u>-</u></u>
<p>The company has reassessed the net realisable value of inventory as at March 31, 2021. Based on the long outstanding dues against the bills raised to the customer, the company believes that it may not be able to realize the value of WIP and accordingly the WIP has been fully written down i.e. net realizable value is considered as Nil. The written down in the value of WIP of Rs. 41.04 lakhs has been recognised in the Statement of Profit &amp; Loss account with the amount reported under changes in inventory.</p>		
<b>28 Employee benefits expense</b>		
a) Salaries and wages, including bonus	9.73	13.40
b) Contribution to provident and other funds	0.15	0.19
c) Workmen and staff welfare expenses	0.36	0.45
d) Director's Remuneration	11.40	11.40
<b>Total employee benefits expense</b>	<u><u>21.64</u></u>	<u><u>25.44</u></u>
<b>29 Finance costs</b>		
a) Interest expense on borrowings carried at amortised cost	75.77	69.62
<b>Total finance costs</b>	<u><u>75.77</u></u>	<u><u>69.62</u></u>
<b>30 Depreciation expense</b>		
a) Depreciation on Property, plant and equipments (Refer Note 04)	38.38	42.13
<b>Total depreciation expense</b>	<u><u>38.38</u></u>	<u><u>42.13</u></u>

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

	For the year ended 31.03.2021 Rs in lakhs	For the year ended 31.03.2020 Rs in lakhs
<b>31 Other expenses</b>		
a) Consumption of stores, spare parts and loose tools	1.45	1.79
b) Repairs to buildings	–	0.60
c) Repairs to plant and machinery	2.60	1.45
d) Power and fuel	0.52	0.32
e) Rates, taxes and licenses	66.91	8.49
f) Electricity expenses	3.03	2.80
g) Insurance charges	0.33	0.13
h) Cultivation expenses	1.31	2.38
i) Selling and distribution expenses	0.82	0.89
j) Legal and professional fee	22.70	16.53
k) Travelling and conveyance expenses	2.49	3.48
l) Telephone expenses	0.32	1.60
m) Directors' sitting fees	1.16	0.94
n) Printing and stationery	0.40	1.70
o) Audit fees [Note 31.1]	1.18	1.18
p) Rent paid	6.00	6.05
q) Sundry balances written off	68.53	69.15
r) Loss Allowance created/(reversed) on security deposits	(56.78)	331.25
s) Loss Allowance for trade receivables	61.90	1.20
t) Loss on sale of shares	–	81.17
u) Other general expenses	9.60	5.36
<b>Total other expenses</b>	<b>194.47</b>	<b>538.46</b>
<b>31.1 Audit fee includes payment to statutory auditor towards:</b>		
(i) Statutory audit fee	1.18	1.18
<b>32. Income tax recognised in profit and loss</b>		
<b>Current tax</b>		
In respect of the current year	–	–
In respect of earlier years	236.54	–
	<b>236.54</b>	–
<b>Deferred tax</b>		
In respect of the current year	134.34	(33.31)
	<b>134.34</b>	<b>(33.31)</b>
The tax expense for the year can be reconciled to the accounting profit (loss) as follows:		
Profit / (Loss) before tax for the year	371.16	(580.29)
Income tax expense calculated at 26.00% on above	96.50	(150.88)
Other adjustments	37.84	117.57
<b>Tax expense as per Income tax Act, 1961</b>	<b>134.34</b>	<b>(33.31)</b>
<b>33. Earnings per share (in Rupees)</b>		
Basic and diluted earnings per share		
The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows:		
Profit/ (loss) for the year	0.28	(546.98)
Profit/ (loss) attributable to the Equity Shareholders (A)	0.28	(546.98)
Weighted average number of equity shares outstanding (B)	346,30,630	346,30,630
Face value of Equity shares in Rupees	10.00	10.00
Basic and diluted earnings per share (A / B) (Rs.)	–	(1.58)
The Company is not having any potential ordinary shares which are dilutive in nature.		

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

	As at 31.03.2021 Rs in lakhs	As at 31.03.2020 Rs in lakhs
<b>34 Additional information to the Financial Statements</b>		
<b>34.01 Contingent liabilities</b>		
<b>1 Claims not acknowledged as debts</b>		
Income Tax Demand (Assessment Year 2004-05)	16.34	–
Income Tax Demand (Assessment Year 2007-08)	–	20.63
Income Tax Demand (Assessment Year 2009-10)	30.89	20.19
Income Tax Demand (Assessment Year 2010-11)	73.72	37.61
Income Tax Demand (Assessment Year 2011-12)	–	1.91
Income Tax Demand (Assessment Year 2012-13)	1044.46	59.26
Income Tax Demand (Assessment Year 2013-14)	449.20	332.74
Income Tax Demand (Assessment Year 2014-15)	734.86	513.89
Income Tax Demand (Assessment Year 2017-18)	0.05	NIL
The Central Excise Act, 1944, Service Tax	NIL	896.85
The WBVAT Act, 2003, VAT	817.10	NIL
The WBVAT Act, 2003, VAT	69.48	69.48
	<b>3,236.10</b>	<b>1,952.55</b>

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

### 34.02 Capital and other commitments

#### a) Capital commitments

Estimated value of contracts remaining to be executed on capital account	NIL	NIL
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### 34.03 Contingent assets

- a) Dispute between the Company's client NPCC Ltd. and the principal NTPC Ltd. was settled in the favour of NPCC Ltd. to the tune of Rs. 8.55 Crores (Contingent Assets Rs. 5.70 crores) by the Permanent Machinery of Arbitration (P.M.A.) which is on and above the amount receivable from them. The principal, NTPC Ltd. has preferred an appeal before the Secretary P.M.A. which is pending disposal. As per terms of MOU with NPCC Ltd., the claim once received by NPCC Ltd. shall be passed on to the Company after deduction of margins of NPCC Ltd. and tax amounts.

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

- i) The debts of Indian Overseas Bank (IOB) and State Bank of India (SBI) were taken over by Alchemist Asset Reconstruction Company (Trust VII) (ARC). The company has reached a settlement of its debts with respect to the amount taken over by ARC from SBI and restructuring of the debts with respect to the amount taken over from IOB by the ARC. The settlement amount with respect to SBI of Rs. 370.00 lakhs has been paid by the company to the ARC and the restructured amount relating to IOB of Rs. 1,302.50 lakhs is to be paid by the company to the ARC in quarterly instalments as per the restructuring schedule till March '24, out of which company has already paid Rs. 797.05 lakhs till March 31, 2021. Once the payment of final installment is done the company will issue Non Convertible Debentures of Rs.1000 lakhs to the ARC, subject to certain conditions.
- ii) The company has not yet recognised any gain/ notional gain on restructuring/ settlement of loan, pending filling of consent application/ application reflecting restructuring/settlement by Alchemist Asset Reconstruction Company Limited with the Debt Recovery Tribunal in the cases pending thereat. As per restructuring agreement, In case of failure to make payment as per schedule given in Annexure-B or in case of failure to comply with any other terms & conditions specified in Annexure-A, this restructuring shall stand revoked without any notice and any amount paid by you shall be forfeited and adjusted towards total dues.
- iii) Dispute between the company and the West Bengal Small Industries Development Corporation Ltd. (WBSIDCL) was awarded in favour of the Company through arbitration. WBSIDCL had preferred an appeal against the arbitration award u/s. 34 of the Arbitration & Conciliation Act, 1996 in Kolkata High Court. The award amount of Rs. 1,306.16 lakhs (Contingent Assets Rs. 927.11 lakhs) plus interest is pending as on March 31, 2021.



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

	For the year ended 31.03.2021 <u>Rs in lakhs</u>	For the year ended 31.03.2020 <u>Rs in lakhs</u>
<b>35 Disclosures under Indian Accounting Standards</b>		
<b>35.01 Employee Benefits</b>		
<b>Defined Contribution plans</b>		
The Company has not transferred any amount towards long term defined benefit obligations as the management estimates that provision for retirement benefits is sufficient. Further the company has made contribution to following defined contribution plans:-		
Provident and other funds	0.15	0.19
<b>Total</b>	<b>0.15</b>	<b>0.19</b>

### Defined Benefit Plans

The Company provided the following employee benefits

**Funded :** Provident Fund

**Non Funded:** Gratuity

	2020-21 Rs in lakhs	2019-20 Rs in lakhs
<b>35.02 Details of the Gratuity Plan are as follows</b>		
<b>Description</b>		
<b>1. Reconciliation of opening and closing balances of obligation</b>		
a. Obligation as at beginning of the year	8.46	8.46
b. Actuarial (gain)/loss	-	-
c. Benefits paid	-	-
d. Obligation as at end of the year	8.46	8.46
<b>2. Reconciliation of fair value of plan assets and obligations</b>		
a. Present value of obligation	8.46	8.46
b. Fair value of plan assets	-	-
c. Amount recognised in the balance sheet Asset/(Liability)	(8.46)	(8.46)
<b>3. Expenses recognised during the year</b>		
a. Current service cost	-	-
b. Interest cost	-	-
c. Expected return on plan assets	-	-
d. Actuarial (gain)/loss	-	-
e. Expenses recognised during the year	-	-

### 35.03 Segment Reporting

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

The company does not have any revenue from foreign. Hence disclosures on geographical segment are not applicable.

## 36 Financial instruments

### 36.01 Capital management

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

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

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

### 36.02 Financial risk management objectives and policies

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

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

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

#### 36.02.01 Market risk

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

#### 36.02.02 Credit risk management

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

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

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

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

#### 36.02.03 Interest Rate Risk Management

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

#### 36.02.04 Credit risk management

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

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

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

#### 36.02.05 Liquidity risk management

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

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

### Liquidity and interest risk tables

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

		₹ in lakhs		
	<u>Current/ Non Current</u>	<u>Carrying amount</u>	<u>Less than 3 months</u>	<u>3 months to 1 year</u>
<b>As at 31.03.2021</b>				
Borrowings	Current	3,490.63	-	3,490.63
Trade payables	Current	57.92	57.92	-
Other financial liabilities	Current	25.79	-	25.79
		<u>3,548.55</u>	<u>57.92</u>	<u>3,490.63</u>
<b>As at 31.03.2020</b>				
Borrowings	Current	3,956.55	-	3,956.55
Trade payables	Current	1,063.10	1,063.10	-
Other financial liabilities	Current	56.41	-	56.41
		<u>5,019.65</u>	<u>1,063.10</u>	<u>3,956.55</u>

### 37 Financial instruments

#### 37.01 Fair value measurements

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

#### Financial assets and Liabilities

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

<b>As at March 31, 2021</b>						
	<u>Current/ Non Current</u>	<u>Fair Value through Other Profie or Loss</u>	<u>Fair Value thorough OCI</u>	<u>Amortised Cost</u>	<u>Total Carrying Value</u>	<u>Total Fair Value</u>
<b>Financial Assets:</b>						
Investments in equity instruments	Non Current	-	726.22	-	726.22	726.22
Investments in preference shares	Non Current	4,694.09	-	-	4,694.09	4,694.09
Loans	Non Current	-	-	201.16	201.16	201.16
Trade receivables	Current	-	-	470.28	470.28	470.28
Cash and cash equivalent	Current	-	-	6.41	6.41	6.41
Other balances with Bank	Current	-	-	39.85	39.85	39.85
Loans	Current	-	-	231.89	231.89	231.89
Other financial assets	Current	-	-	4.32	4.32	4.32
<b>Total</b>		<u>4,694.09</u>	<u>726.22</u>	<u>953.91</u>	<u>6,374.22</u>	<u>6,374.22</u>
<b>Financial Liabilities</b>						
Borrowings	Current	-	-	3,490.63	3,490.63	3,490.63
Trade payables	Current	-	-	57.92	57.92	57.92
Other financial liabilities	Current	-	-	25.79	25.79	25.79
<b>Total</b>		<u>-</u>	<u>-</u>	<u>3,574.34</u>	<u>3,574.34</u>	<u>3,574.34</u>

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

	Current/ Non Current	Fair Value through Other Profit or Loss	As at March 31, 2020			Total Carrying Value	Total Fair Value
			Fair Value thorough OCI	Amortised Cost			
<b>Financial Assets:</b>							
Investments in equity instruments	Non Current	-	726.35	-	726.35	726.35	
Investments in preference shares	Non Current	4,694.09	-	-	4,694.09	4,694.09	
Loans	Non Current	-	-	265.76	265.76	265.76	
Trade receivables	Current	-	-	1,377.30	1,377.30	1,377.30	
Cash and cash equivalent	Current	-	-	12.72	12.72	12.72	
Other balances with Bank	Current	-	-	30.86	30.86	30.86	
Loans	Current	-	-	307.78	307.78	307.78	
Other financial assets	Current	-	-	386.99	386.99	386.99	
<b>Total</b>		<b>4,694.09</b>	<b>726.35</b>	<b>2,381.41</b>	<b>7,801.85</b>	<b>7,801.85</b>	
<b>Financial Liabilities</b>							
Borrowings Current	Current	-	-	3,956.55	3,956.55	3,956.55	
Trade payables	Current	-	-	1,063.10	1,063.10	1,063.10	
Other financial liabilities	Current	-	-	56.41	56.41	56.41	
<b>Total</b>		<b>-</b>	<b>-</b>	<b>5,076.06</b>	<b>5,076.06</b>	<b>5,076.06</b>	

### Fair Value hierarchy

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

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

₹ in lakhs

	As at March 31, 2021			
	Level 1	Level 2	Level 3	Total
<b>Financial assets:</b>				
Investments in equity instruments	-	-	726.22	726.22
Investments in preference shares	-	-	4,694.09	4,694.09
	<u>-</u>	<u>-</u>	<u>5,420.31</u>	<u>5,420.31</u>
<b>As at 31.03.2020</b>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Financial assets:</b>				
Investments in equity instruments	-	-	726.35	726.35
Investments in preference shares	-	-	4,694.09	4,694.09
	<u>-</u>	<u>-</u>	<u>5,420.44</u>	<u>5,420.44</u>

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

### 38. Related party transactions

#### List of related parties and relationship

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

Particulars	KMP & Close members of their family	Subsidiaries/ Associates/ JV	Total	Outstanding as on March 31, 2021	Outstanding as on March 31, 2020
<b>Remuneration to Key Managerial Person</b>					
Maresh Mehra, Whole Time Director	11.40	-	11.40	-	-
Tarak Nath Mishra, CFO	5.28	-	5.28	0.44	-
Sanjay Lal Gupta, Company Secretary	2.55	-	2.55	0.25	-
<b>Total</b>	<b>19.23</b>	<b>-</b>	<b>19.23</b>	<b>0.69</b>	<b>-</b>
<b>Previous Year</b>					
Maresh Mehra, Whole Time Director	11.40	-	11.40	-	0.85
Karan Mehra, Son of Maresh Mehra	4.00	-	4.00	-	-
Tarak Nath Mishra, CFO	5.28	-	5.28	-	-
Sanjay Lal Gupta, Company Secretary	2.10	-	2.10	-	-
<b>Total</b>	<b>22.78</b>	<b>-</b>	<b>22.78</b>	<b>-</b>	<b>0.85</b>
<b>Sitting Fee to directors</b>					
Ramkrishna Mondal	0.27	-	0.27	-	-
Sandip Sarkar	0.45	-	0.45	-	-
Minoti Nath	0.45	-	0.45	-	-
<b>Total</b>	<b>1.16</b>	<b>-</b>	<b>1.16</b>	<b>-</b>	<b>-</b>
<b>Previous Year</b>					
Asoke Das	0.29	-	0.29	-	-
Sandip Sarkar	0.21	-	0.21	-	-
Minoti Nath	0.45	-	0.45	-	-
<b>Total</b>	<b>0.95</b>	<b>-</b>	<b>0.95</b>	<b>-</b>	<b>-</b>
<b>Rent Paid</b>					
Neeru Mehra	6.00	-	6.00	-	-
<b>Total</b>	<b>6.00</b>	<b>-</b>	<b>6.00</b>	<b>-</b>	<b>-</b>
<b>Previous Year</b>					
Neeru Mehra	6.00	-	6.00	-	0.45
<b>Total</b>	<b>6.00</b>	<b>-</b>	<b>6.00</b>	<b>-</b>	<b>0.45</b>

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

Particulars	KMP & Close members of their family	Subsidiaries/ Associates/ JV	Total	Outstanding as on March 31, 2021	Outstanding as on March 31, 2020
<b>Loan taken from subsidiary</b>					
Bengal KDC Housing Development Limited	-	83.57	83.57	1,037.15	-
KDC Nirman Limited	-	0.51	0.51	13.41	-
	<u>-</u>	<u>84.08</u>	<u>84.08</u>	<u>1,050.56</u>	<u>-</u>
<b>Previous Year</b>					
Bengal KDC Housing Development Limited	-	227.28	227.58	-	953.58
KDC Nirman Limited	-	0.99	0.99	-	12.90
	<u>-</u>	<u>228.27</u>	<u>228.57</u>	<u>-</u>	<u>966.48</u>
<b>Advance Repaid</b>					
Kidco NACC JV	-	5.65	5.65	84.00	-
<b>Total</b>	<u>-</u>	<u>5.65</u>	<u>5.65</u>	<u>84.00</u>	<u>-</u>
<b>Previous Year</b>					
Kidco NACC JV	-	3.74	3.74	-	89.65
	<u>-</u>	<u>3.74</u>	<u>3.74</u>	<u>-</u>	<u>89.65</u>
			<b>As at 31.03.2021</b>		<b>As at 31.03.2020</b>
			<b>Rs in lakhs</b>		<b>Rs in lakhs</b>
<b>39 Disaggregation of Revenue from contracts with customers in India</b>					
<b>Revenue from operations</b>					
a) Contracts receipts			214.16		-
b) Receipts from hotel			10.44		11.68
c) Revenue from agricultural business			2.74		6.37
			<u>227.34</u>		<u>18.05</u>
<b>Contract Assets</b>					
Trade receivables			470.28		1,377.30
<b>Contract Liabilities</b>					
Advance from customers			230.66		230.66
<b>40 Approval of financial statements</b>					
The financial statements were approved for issue by the board of directors on 30th June, 2021.					

As per terms of our report attached.

For and on behalf of the Board of Directors

**For Barkha & Associates**

Firm Regn. No. 327573E  
*Chartered Accountants*

**Barkha Agarwal**

*Partner*

Membership No. 301636

Place : Kolkata

30th June, 2021

<b>Mahesh Mehra</b>	<b>Tarak Nath Mishra</b>	<b>Sanjay Lal Gupta</b>
Whole-time Director	Whole-time Director & CFO	Whole-time Director & Company Secretary

**FORM- AOC 1***(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)**Statement containing salient features of the financial statement of subsidiaries/**Associate Companies/Joint Ventures***Part "A": Subsidiaries**

(₹ In Lakhs)

Sl. No	1	2	3	4
Name of the subsidiary	<b>Bengal KDC Housing Development</b>	<b>KDC Nirman Limited</b>	<b>Kaushalya Energy Private Limited (KEPL)</b>	<b>Azur Solar KDC Private Limited (Subsidiary of KEPL)</b>
Reporting period	31st March, 2021	31st March, 2021	31st March, 2021	31st March, 2021
Reporting currency and Exchange rate	INR	INR	INR	INR
Share capital	20.00	20.00	10.00	1.00
Other Equity	153.15	(1.88)	(8.18)	(0.83)
Total assets	1,275.02	19.22	2.15	0.17
Total Liabilities	1,275.02	19.22	2.15	0.17
Investments	2.40	-	0.99	-
Turnover	95.21	1.08	-	-
Profit before taxation	67.28	0.84	(0.21)	0.62
Provision for taxation	17.49	0.34	(0.06)	0.18
Profit after taxation	49.79	0.50	(0.15)	0.44
Proposed Dividend	NIL	NIL	NIL	NIL
% of shareholding	51%	51%	95.50%	99% (Holding by KEPL)

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

- Names of subsidiaries which are yet to commence operations:
  - KDC Nirman Limited
  - Kaushalya Energy Private Limited
  - Azur Solar KDC Private Limited
- Names of subsidiaries which have been liquidated or sold during the year: NONE
- The Reporting date of all subsidiaries is same as that of the Company, that is, 31st March, 2021.
- The Company does not have any foreign subsidiary.

For and on behalf of Board of Directors

**Mahesh Mehra**  
Whole-time Director  
DIN-00086683

**Tarak Nath Mishra**  
Whole-time Director  
& CFO  
DIN- 08845853

**Sanjay Lal Gupta**  
Whole-time Director &  
Company Secretary  
DIN-08850306

Place : Kolkata  
Date : 30th June, 2021

**Part “B”: Associates and Joint Ventures**

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

(₹ In Lakhs)

Sl. No.	1	2	3	4
Name of Associates /Joint Ventures	<b>Orion Abasaan Pvt Ltd (OAPL)</b>	<b>Kaushalya Nirman Pvt Ltd (KNPL)</b>	<b>Kaushalya Township Private Limited (KTPL)</b>	<b>KIDCO NACC</b>
1. Latest Audited Balance Sheet Date	31st March, 2021	31st March, 2021	31st March, 2021	31st March, 2021
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)	10.90	19.40	155.08	(93.39)
- Extend of Holding %	48.33%	46.00%	48.72%	90%
3. Description of how there is significant influence	<b>Based on the percentage of holding over these investees</b>			
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	350.08	184.08	827.98	NA
6. Profit / Loss for the year				
i. Considered in Consolidation	--	--	12.91	-
ii. Not Considered in Consolidation	21.64	(21.08)	13.60	-

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

For and on behalf of Board of Directors

**Mahesh Mehra**  
*Whole-time Director*  
DIN-00086683

**Tarak Nath Mishra**  
*Whole-time Director & CFO*  
DIN- 08845853

**Sanjay Lal Gupta**  
*Whole-time Director & Company Secretary*  
DIN-08850306

Place : Kolkata  
Date : 30th June, 2021



## Consolidated Financials

### Independent Auditors' Report

#### To The Members of

#### KAUSHALYA INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED

#### Report on the Consolidated Ind AS Financial Statements

#### OPINION

We have audited the accompanying Consolidated Financial Statements of KAUSHALYA INFRASTRUCTURE DEVELOPMENT CORPORATION LTD. (hereinafter referred to as “the Holding Company”), its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”) its associates and joint ventures comprising of the consolidated Balance sheet as at March 31,2021, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement and the consolidated statement of Changes in Equity for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the Consolidated Financial Statements”).

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint ventures, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013, as amended (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at March 31,2021, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

#### BASIS FOR OPINION

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

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

#### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements for the financial year ended March 31,2021. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

#### INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR’S REPORT THEREON

The Holding Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Consolidated Financial Statements and our auditor’s report thereon.

## Independent Auditor's Report (*contd.*)

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

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

### **RESPONSIBILITIES OF MANAGEMENT FOR THE CONSOLIDATED FINANCIAL STATEMENTS**

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

Financial Statements by the Directors of the Holding Company, as aforesaid.

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

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

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

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

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

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

## Independent Auditor's Report (*contd.*)

relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements for the financial year ended March 31,2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### OTHER MATTER

The Consolidated Ind AS financial statements includes 4 subsidiaries which reflect total assets of 6872.33 lakhs as at March 31,2021, total revenues of 775.41 lakhs and net cash out flow of 7.76 lakhs for the year then ended and the financial statements of an associate which reflect Group's share of net profit of 12.91 lakhs for the year ended on March 31,2021, which have been audited by us.

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

## Independent Auditor's Report (contd.)

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

- (a) We / the other auditors whose report we have relied upon, have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements;  
In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (d) On the basis of the written representations received from the directors of the Holding Company as on March 31,2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiaries, associates and joint ventures, none of the directors of the Group's companies, its associates and joint ventures incorporated in India is disqualified as on March 31,2021 from being appointed as a director in terms of Section 164(2) of the Act;

- (e) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these Consolidated Financial Statements of the Holding Company and its subsidiary companies, associate companies and joint ventures incorporated in

India, refer to our separate Report in "Annexure2" to this report;

- (f) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, associates and joint ventures incorporated in India, the managerial remuneration for the year ended March 31,2021 has been paid / provided by the Holding Company, its subsidiaries, associates and joint ventures incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associates and joint ventures, as noted in the 'Other matter' paragraph:
  - The Consolidated Financial Statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associates and joint ventures in its Consolidated Financial Statements – Refer Note 34 to the Consolidated Financial Statements;
  - Provision has been made in the Consolidated Financial Statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
  - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, associates and joint ventures incorporated in India during the year ended March 31,2021.

**For Barkha & Associates**

Firm Regn. No: 327573E

*Chartered Accountants*

**CA Barkha Agarwal**

*Partner*

Place: Kolkata

Membership No: 301636

Date: 30th June, 2021

UDIN NO: 21301636AAAAMP6681

**Consolidated Balance Sheet as at 31st March, 2021**

(₹ in lakhs)

Particulars	Notes	As at <u>31.03.2021</u>	As at <u>31.03.2020</u>
<b>(I) ASSETS</b>			
<b>(1) Non-current assets</b>			
a) Property, plant and equipment	4	129.08	182.15
b) Goodwill	5	0.17	0.17
c) Investment property	6	<u>266.07</u>	<u>266.07</u>
		<b><u>395.32</u></b>	<b><u>448.39</u></b>
d) Investments in associates	7	12.91	-
e) Financial assets			
i) Investments	7	4,107.74	4,107.87
ii) Loans	8	430.73	534.67
f) Other non-current assets	9	-	-
g) Deferred tax asset (net)	22	469.81	604.32
h) Income tax assets (net)	10	372.48	576.91
i) Other non-current assets	11	<u>306.03</u>	<u>-</u>
		<b><u>6,095.02</u></b>	<b><u>6,272.16</u></b>
<b>(2) Current Assets</b>			
a) Inventories	12	5.26	46.30
b) Financial assets			
i) Trade receivables	3	470.28	1,377.30
ii) Cash and cash equivalents	14	8.80	16.56
iii) Other balances with Bank	14	42.05	33.06
iv) Loans and advances	15	236.89	312.78
v) Other financial assets	16	4.32	387.05
c) Other current assets	17	<u>9.71</u>	<u>0.98</u>
		<b><u>777.31</u></b>	<b><u>2,174.03</u></b>
<b>TOTAL ASSETS</b>			
		<b><u>6,872.33</u></b>	<b><u>8,446.19</u></b>
<b>(II) EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
a) Equity share capital	18	3,463.06	3,463.06
b) Other equity	19	<u>463.29</u>	<u>424.31</u>
		<b><u>3,926.35</u></b>	<b><u>3,887.37</u></b>
Non Controlling Interest	20	<u>90.84</u>	<u>66.17</u>
<b>Total Equity</b>		<b><u>4,017.19</u></b>	<b><u>3,953.54</u></b>
<b>(2) Non-current liabilities</b>			
a) Provisions	21	<u>8.46</u>	<u>8.46</u>
		<b><u>8.46</u></b>	<b><u>8.46</u></b>
<b>(3) Current liabilities</b>			
<b>a) Financial liabilities</b>			
i) Borrowings	23	2,440.06	2,990.06
ii) Trade payables	24		
– Total outstanding dues to Micro, Small and Medium Enterprise		-	-
– Total outstanding dues to creditors other than Micro, Small and Medium Enterprise		63.52	1,070.56
iii) Other financial liabilities	25	25.79	57.41
b) Income tax liabilities (net)	26	0.03	4.62
c) Other current liabilities	27	<u>317.28</u>	<u>361.54</u>
		<b><u>2,846.68</u></b>	<b><u>4,484.19</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>			
		<b><u>6,872.33</u></b>	<b><u>8,446.19</u></b>

See accompanying notes forming part of the financial statements

As per terms of our report attached.

For and on behalf of the Board of Directors

**For Barkha & Associates**

Firm Regn. No. 327573E

Chartered Accountants

**Barkha Agarwal**

Partner

Membership No. 301636

Place : Kolkata

30th June, 2021

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

**Consolidated Statement of Profit and Loss for the year ended 31st March, 2021**

(₹ in lakhs)

Particulars	Notes	For the year ended 31.03.2021	For the year ended 31.03.2020
1) Revenue from operations	28	227.34	18.05
2) Other income	29	548.07	110.56
<b>3) Total Income (1) + (2)</b>		<b>775.41</b>	<b>128.61</b>
<b>4) EXPENSES</b>			
a) Cost of materials consumed	30	11.06	4.16
b) Changes in inventories of finished goods and work in progress	31	41.04	–
c) Employee benefits expense	32	39.65	43.68
d) Finance costs	33	1.64	3.36
e) Depreciation expense	34	38.45	42.20
f) Other expenses	35	203.88	547.19
<b>Total Expenses (4)</b>		<b>335.72</b>	<b>640.59</b>
<b>5) Profit/(loss) before share of profit /(loss) of associates and tax (3) - (4)</b>		<b>439.69</b>	<b>(511.98)</b>
<b>(6) Share of profit/(loss) of associates</b>		<b>12.91</b>	<b>(114.29)</b>
<b>(7) Profit/(loss) before tax (5) + (6)</b>		<b>452.60</b>	<b>(626.27)</b>
<b>(8) Tax Expense</b>	36		
a) Current tax			
i) Current tax for current year		17.66	17.85
ii) Current tax for the earlier years		236.66	0.01
b) Deferred tax			
i) Deferred tax for current year		134.51	(29.06)
<b>Total tax expense (8)</b>		<b>388.83</b>	<b>(11.20)</b>
<b>(9) Profit/(loss) for the year (7) - (8)</b>		<b>63.76</b>	<b>(615.07)</b>
<b>(10) Other comprehensive income</b>			
a) Items that will be reclassified to statement of profit and loss		–	–
b) Items that will not be reclassified to statement of profit and loss			
i) Changes in fair value of equity instruments		(0.12)	(211.60)
ii) Share of other comprehensive income of associates		–	(0.12)
iii) Income Tax relating to items above		–	–
<b>Total other comprehensive income (10)</b>		<b>(0.12)</b>	<b>(211.72)</b>
<b>(11) Total comprehensive income for the year (9) + (10)</b>		<b>63.64</b>	<b>(826.79)</b>
<b>Total Comprehensive Income Attributable to</b>			
Equity holders of the Parent		38.98	(851.15)
Non controlling Interest		24.67	24.36
<b>(12) Earnings per equity share:</b>			
<b>(Face value of share of Rs 10 each)</b>	37		
(a) Basic		0.18	(1.78)
(b) Diluted		0.18	(1.78)

See accompanying notes forming part of the financial statements

As per terms of our report attached.

For and on behalf of the Board of Directors

**For Barkha & Associates**

Firm Regn. No. 327573E

*Chartered Accountants*
**Barkha Agarwal**
*Partner*

Membership No. 301636

Place : Kolkata

30th June, 2021

**Mahesh Mehra**  
 Whole-time Director

**Tarak Nath Mishra**  
 Whole-time Director  
 & CFO

**Sanjay Lal Gupta**  
 Whole-time Director  
 & Company Secretary



## Consolidated Cash Flow Statement for the year ended 31st March, 2021

Particulars	(₹ in lakhs)	
	For the year ended 31.03. 2021	For the year ended 31.03.2020
<b>A. Cash Flow from Operating activities:</b>		
<b>Profit/(loss) before tax</b>	<b>439.69</b>	<b>(511.98)</b>
<i>Adjustments for:</i>		
Depreciation expense	38.45	42.20
Interest income	(23.32)	(31.59)
Loss on sale of investments in equity instruments	-	81.17
Loss Allowance on security deposits	(56.78)	331.25
Loss Allowance for trade receivables	61.90	1.20
Interest expenses	1.64	3.36
Liabilities/provision no longer required written back	(90.89)	(78.93)
Profit on sale of Property, plant and equipment	(0.39)	-
<b>Operating profit/(loss) before working capital changes</b>	<b>370.30</b>	<b>(163.32)</b>
<i>Adjustments for changes in operating assets/liabilities</i>		
Inventories	41.04	0.58
Trade receivables	845.12	0.01
Current financial assets	0.06	(0.07)
Other non-current assets	(306.03)	-
Other current assets	(8.73)	67.67
Other financial assets	383.18	-
Trade Payables	(916.14)	20.88
Current financial liabilities	(31.62)	(20.03)
Loans and advances	197.27	13.13
Other current liabilities	(44.26)	(40.51)
<b>Cash generated from operations</b>	<b>530.19</b>	<b>(121.66)</b>
Direct taxes refunded/ (paid)	(54.48)	13.47
<b>Net cash generated from/ (used in) operating activities</b>	<b>475.70</b>	<b>(108.19)</b>
<b>B. Cash Flows from Investing activities:</b>		
Payments for acquisition of property, plant and equipment	-	(0.22)
Proceeds from sale of Property, plant and equipment	15.01	-
Loans and advances (given) / repaid (net)	58.68	204.91
Fixed deposits (placed) / realised (net)	(8.99)	7.09
Proceeds from sale of Investments in equity instruments	-	50.00
Interest received	3.48	5.00
<b>Net cash generated from investing activities</b>	<b>68.18</b>	<b>266.78</b>

**Consolidated Cash Flow Statement for the year ended 31st March, 2021 (Contd.)**

Particulars	(₹ in lakhs)	
	For the year ended 31.03.2021	For the year ended 31.03.2020
<b>C. Cash Flow from Financing activities:</b>		
Proceeds/ (Repayments) of current borrowings		
- From banks	(550.00)	(156.55)
Interest paid	(1.64)	(3.36)
<b>Net cash (used in) financing activities</b>	<b>(551.64)</b>	<b>(159.91)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(7.76)</b>	<b>(1.32)</b>
<b>Cash and cash equivalents as at 1 April <sup>1</sup></b>	<b>16.56</b>	<b>17.88</b>
<b>Cash and cash equivalents as at 31 March <sup>1</sup></b>	<b>8.80</b>	<b>16.56</b>

See accompanying notes forming part of the financial statements

1. Cash and cash equivalents represents cash, cheques on hand and balances with banks. (Refer Note. 14)
2. Interest accrued and converted into loan amounting to 19.24 lakhs ( P.Y. 26.59 lakhs) being a non-cash item have not been considered above.
3. Figures in brackets represent outflows.

As per terms of our report attached.

For and on behalf of the Board of Directors

**For Barkha & Associates**

Firm Regn. No. 327573E

Chartered Accountants

**Barkha Agarwal**

Partner

Membership No. 301636

Place : Kolkata

30th June, 2021

<b>Mahesh Mehra</b>	<b>Tarak Nath Mishra</b>	<b>Sanjay Lal Gupta</b>
Whole-time Director	Whole-time Director & CFO	Whole-time Director & Company Secretary





## Notes forming part of the Consolidated Financial Statements

### 1. General corporate information

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

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

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

### 02. Application of new and revised Ind AS

Ind ASs notified and effective from April 1, 2019

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

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

The Group had to change its accounting policies as a result of adopting Ind AS 116 - Leases, did not have any

significant impact. Other amendments listed above did not have any impact on the amounts recognized in the prior periods and are not expected to significant affect the current and future period.

### 2.01. Basis of Consolidation

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

#### Subsidiaries

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

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

carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if it results in the non-controlling interest having a deficit balance.

### Associates

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

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

### 3. Summary of significant accounting policies

#### 03.01 Statement of compliance

The financial statements have been prepared

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

#### 3.02 Basis of preparation and presentation

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. In these consolidated financial statements, the fair value for measurement and/or disclosure purpose is determined on such basis except for leasing

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

transactions that are within the scope of Ind AS 17 – Leases / Ind AS 116 – Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 – Inventories or value in use in Ind AS 36 – Impairment of assets.

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

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

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

### 3.03 Use of Estimates

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

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

### 3.04 Revenue recognition

The Group has following major sources of revenue:

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

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

#### 3.04.01 Construction activities

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

The Group follows the policy of recognizing

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

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

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

### 3.04.02 Hotel Operations

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

### 3.04.03 Other services / activities

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

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

Revenue from hire charges are recognized overtime.

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

### 3.04.04 Other Income

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

## 3.05 Employee Benefits

### 3.05.01 Short-term benefits

Short term employee benefits are recognised as an expense at the undiscounted amount in the Consolidated Statement of Profit and

Loss of the year in which the related service is rendered.

### 3.05.02 Defined retirement benefits

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

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

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

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

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

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

### 3.06 Taxation

#### i) Current tax

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

#### ii) Deferred tax

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

temporary difference arises from the initial recognition of goodwill.

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

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

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

#### iii) Minimum alternate tax

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



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

probable that future economic benefit associated with it will flow to the Group.

### iv) **Current tax and deferred tax**

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

### 3.07 **Property, Plant and equipment**

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

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

An item of property, plant and equipment is derecognised upon disposal or when no

future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is recognised in Consolidated Statement of Profit and Loss.

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

Estimated useful lives of the assets are as follows:

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

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

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

### 3.08 **Borrowing Costs**

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

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

### 3.09 Impairment of tangible and intangible assets other than goodwill

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

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

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

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

### 3.10 Inventories

Raw materials, stores and spares, finished

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

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

### 3.11 Provisions, Contingent liabilities and Contingent assets

#### 3.11.01 Provisions

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

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

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

#### 3.11.02 Onerous contracts

An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. Present obligation arising



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

under onerous contracts are recognised and measured as provisions.

### 3.11.03 Contingent liabilities and assets

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

### 3.12 Leases

#### Upto March 31, 2019

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

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. The Groups significant operating leasing arrangements are for premises (office, residence etc.). The leasing arrangements which normally have a tenure of eleven months to three years are cancellable with a reasonable notice, and are renewable by mutual consent at agreed terms. The aggregate lease rent payable is charged as rent in the Consolidated Statement of Profit and Loss.

#### With effect from April 1, 2019

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

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

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

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct

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

costs. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any.

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

### 3.13 Financial instruments

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

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

### 3.14 Financial assets

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

#### 3.14.01 Classification of financial assets

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

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

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

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

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

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

accumulated in this reserve is reclassified to profit and loss.

All other financial assets are subsequently measured at fair value.

### 3.14.02 Effective interest method

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

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

### 3.14.03 Investments in equity instruments at FVTOCI

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

Dividends on these investments in equity instruments are recognised in consolidated

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

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

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

### 3.14.05 Impairment of financial assets

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

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risks on that financial instrument has increased significantly since initial recognition. If the credit risk

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

on financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12 month expected credit losses.

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

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

### 3.14.06 Derecognition of financial assets

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

collateralised borrowing for the proceeds received.

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

### 3.15 Financial liabilities and equity instruments

#### 3.15.01 Classification as debt or equity

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

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

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

#### 3.15.02 Financial liabilities

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

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

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

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

### 3.15.03 Financial liabilities subsequently measured at amortised cost

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

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

### 3.15.04 Derecognition of financial liabilities

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

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

### 3.16 Joint Venture Operations

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

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

### 3.17 Operating Cycle

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

### 3.18 Rounding Off

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

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

₹ in lakhs

**04. Property, plant and equipment**

	Freehold Building	Plant and Machinery	Furniture and fixtures	Motor Vehicles	Office equipments	Computers	Total
<b>Cost or deemed cost</b>							
Balance at April 1, 2019	78.50	272.69	1.75	0.67	0.26	-	353.87
Additions	-	-	-	-	-	0.22	0.22
Disposals	-	-	-	-	-	-	-
<b>Balance at March 31, 2020</b>	<b>78.50</b>	<b>272.69</b>	<b>1.75</b>	<b>0.67</b>	<b>0.26</b>	<b>0.22</b>	<b>354.09</b>
Additions	-	-	-	-	-	-	-
Disposals	-	(103.71)	-	-	-	-	(103.71)
<b>Balance at March 31, 2021</b>	<b>78.50</b>	<b>168.98</b>	<b>1.75</b>	<b>0.67</b>	<b>0.26</b>	<b>0.22</b>	<b>250.38</b>
<b>Accumulated depreciation</b>							
Balance at April 1, 2019	4.62	122.65	1.64	0.57	0.26	-	129.74
Depreciation expense	1.54	40.54	0.03	0.02	-	0.07	42.20
Disposals	-	-	-	-	-	-	-
<b>Balance at March 31, 2020</b>	<b>6.16</b>	<b>163.19</b>	<b>1.67</b>	<b>0.59</b>	<b>0.26</b>	<b>0.07</b>	<b>171.94</b>
Depreciation expense	1.54	36.80	0.02	0.02	-	0.07	38.45
Disposals	-	(89.08)	-	-	-	-	(89.08)
<b>Balance at March 31, 2021</b>	<b>7.70</b>	<b>110.91</b>	<b>1.69</b>	<b>0.61</b>	<b>0.26</b>	<b>0.14</b>	<b>121.31</b>
<b>Carrying amount</b>							
Balance at April 1, 2019	73.88	150.04	0.11	0.10	-	-	224.13
Additions	-	-	-	-	-	0.22	0.22
Disposals	-	-	-	-	-	-	-
Depreciation expense	(1.54)	(40.54)	(0.03)	(0.02)	-	(0.07)	(42.20)
<b>Balance at March 31, 2020</b>	<b>72.34</b>	<b>109.50</b>	<b>0.08</b>	<b>0.08</b>	-	<b>0.15</b>	<b>182.15</b>
Additions	-	-	-	-	-	-	-
Disposals	-	(14.62)	-	-	-	-	(14.62)
Depreciation expense	(1.54)	(36.80)	(0.02)	(0.02)	-	(0.07)	(38.45)
<b>Balance at March 31, 2021</b>	<b>70.80</b>	<b>58.08</b>	<b>0.06</b>	<b>0.06</b>	-	<b>0.08</b>	<b>129.08</b>

**Note:**

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

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

05. Goodwill	₹ in lakhs	
	<u>Goodwill</u>	<u>Total</u>
<b>Cost or deemed cost</b>		
<b>Balance at April 1st, 2019</b>	0.17	0.17
Additions	-	-
Disposals	-	-
<b>Balance at March 31st, 2020</b>	0.17	0.17
Additions	-	-
Disposals	-	-
<b>Balance at March 31st, 2021</b>	<u>0.17</u>	<u>0.17</u>
<b>Accumulated impairment</b>		
Balance at April 1st, 2019	-	-
Charge for the year	-	-
Disposals	-	-
<b>Balance at March 31st, 2020</b>	-	-
Charge for the year	-	-
Disposals	-	-
<b>Balance at March 31st, 2021</b>	<u>-</u>	<u>-</u>
<b>Carrying amount</b>		
Balance at April 1st, 2019	0.17	0.17
Additions	-	-
Disposals	-	-
Charge for the year	-	-
<b>Balance at March 31st, 2020</b>	0.17	0.17
Additions	-	-
Disposals	-	-
Charge for the year	-	-
<b>Balance at March 31st, 2021</b>	<u>0.17</u>	<u>0.17</u>
	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
	<b><u>Rs in lakhs</u></b>	<b><u>Rs in lakhs</u></b>
<b>6 Investment property</b>		
<b>Investment in land</b>		
Opening balance	266.07	266.07
Additions	-	-
Closing balance	<u>266.07</u>	<u>266.07</u>

### Estimation of fair value

The Company's investment property consists of freehold land in Telengana and, West Bengal, India.

The fair value of the investment property is based on current prices for similar property. The main inputs used are quantum, area, location, demand, and trend of fair market value in the area.

The fair value is determined by an accredited independent valuer. Fair valuation is based on market approach method and categorised as Level 2 fair value hierarchy as at 31 March 2021 and 31 March 2020, the fair values of the property are ₹502 lakhs and ₹471 lakhs respectively.



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

	Amount Face value per share	As at 31.03.2021		As at 31.03.2020	
		Qty Nos.	Amount Rs in lakhs	Qty Nos.	Amount Rs in lakhs
<b>7 Non-current investments</b>					
<b>(A) Investments in subsidiaries (carried at cost)</b>					
<b>Unquoted Investments (all fully paid)</b>					
<b>Investments in Equity Instruments of</b>					
KDC Nirman Ltd.				-	-
Bengal KDC Housing Development Ltd.				-	-
Kaushalya Energy Pvt. Ltd.				9.55	9.55
				9.55	9.55
				-	-
				<u>9.55</u>	<u>9.55</u>
<b>(A) Investments (carried at cost)</b>					
<b>Unquoted investments (all fully paid)</b>					
<b>Investments in equity instruments of associates:</b>					
Kaushalya Township Private Limited	10.00	3,18,237	12.91	3,18,237	-
Kaushalya Nirman Private Limited	10.00	46,000	-	46,000	-
Orion Abasaan Private Limited	10.00	29,000	-	29,000	-
		<u>3,93,237</u>	<u>12.91</u>	<u>3,93,237</u>	<u>-</u>
<b>(B) Investments</b>					
Investments in 10% Redemable Non-Cumulative Preference Shares:					
<b>Associates</b>					
Kaushalya Township Private Limited	10.00	34,98,630	1,994.22	34,98,630	1,994.22
Kaushalya Nirman Private Limited	10.00	8,79,968	510.38	8,79,968	510.38
Orion Abasaan Private Limited	10.00	19,85,740	1,092.16	19,85,740	1,092.16
		<u>63,64,338</u>	<u>3,596.76</u>	<u>63,64,338</u>	<u>3,596.76</u>
Add: Share of profit	-	-	-	-	-
		<u>63,64,338</u>	<u>3,596.76</u>	<u>63,64,338</u>	<u>3,596.76</u>
<b>Subsidiaries</b>					
Bengal KDC Housing Development Ltd.	10.00	-	-	-	-
		<u>63,64,338</u>	<u>3,596.76</u>	<u>63,64,338</u>	<u>3,596.76</u>
<b>Total Investments carrying value in equity instruments (carried at fair value through Other Comprehensive Income)</b>					
Unquoted Investments (all fully paid)					
Investments in Equity Instruments of:					
Enlightened Projects Limited*	10.00	1,95,500	244.75	1,95,500	244.81
Orkay Engineering Limited*	10.00	8,53,000	266.05	8,53,000	266.12
Flare Realty Engineering Private Limited*	10.00	5,200	0.18	5,200	0.18
		<u>10,53,700</u>	<u>510.98</u>	<u>10,53,700</u>	<u>511.11</u>
Aggregate book value of quoted investments		<u>74,18,038</u>	<u>4,107.74</u>	<u>74,18,038</u>	<u>4,107.87</u>

### Aggregate market value of quoted investments

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



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

	As at 31.03.2021 ₹ in lakhs	As at 31.03.2020 ₹ in lakhs
<b>8 Loans - non current</b>		
<b>(Unsecured Considered good)</b>		
a) Security deposits (Carried at amortised cost)	1,075.61	1,199.05
Less: Loss Allowance	(877.21)	(933.99)
b) Loan to body corporate	229.47	268.81
c) Loan to holding company	-	-
d) Advance to related party	-	-
e) Other advances	-	-
f) Deposits with govt Authorities	2.86	0.80
	<b>430.73</b>	<b>534.67</b>
<b>9 Other financial assets- non current</b>		
a) Security deposit -NSDL	-	-
b) Other advances	-	-
<b>10 Income tax assets (net)</b>		
Income tax assets (net of provisions)	372.48	576.91
At the beginning of year	576.89	608.31
Changes for the year	(484.68)	(31.80)
Tax paid (Net) during year	280.27	0.40
<b>At end of year- Advance tax/ (Provision for Tax)</b>	<b>372.48</b>	<b>576.91</b>
Note:- Advance Income Tax has been netted off with the provision for income tax		
<b>11 Other non-current assets</b>		
a) Capital Advances	306.03	-
	<b>306.03</b>	-
<b>12 Inventories (At lower of cost and net realisable value)</b>		
a) Work in progress (At lower of cost and net realisable value)	-	41.04
b) Raw materials (At lower of cost and net realisable value)	5.26	5.26
	<b>5.26</b>	<b>46.30</b>
<b>13 Trade receivables - current</b>		
Trade receivables	1,733.38	2,578.50
Less: Allowance for expected credit losses	(1,263.10)	(1,201.20)
	<b>470.28</b>	<b>1,377.30</b>
<b>Details for trade receivables:</b>		
a) Receivables considered good - Secured;	-	-
b) Receivables considered good - Unsecured;	470.28	1,377.30
c) Receivables which have significant increase in Credit Risk;	-	-
d) Receivables - credit impaired	1,263.10	1,201.20
Less: Allowance for Expected credit losses	(1,263.10)	(1,201.20)
	<b>470.28</b>	<b>1,377.30</b>
<b>Movement in the expected credit loss allowance</b>		
Balance at the beginning of the year	(1,200.00)	(4,000.00)
Expected credit loss allowance created on trade receivables (Net), calculated at lifetime expected credit losses.	(1.20)	2,800.00
<b>Balance at the end of the year</b>	<b>(1,263.10)</b>	<b>(1,200.00)</b>
Note:- There are certain contracts against which litigations are pending with various forums for dispute resolution. While creating provision for expected credit loss, the same has been considered.		

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

	As at 31.03.2021 ₹ in lakhs	As at 31.03.2020 ₹ in lakhs
<b>14 Cash and cash equivalents</b>		
a) Cash and cash equivalents		
i) Cash in hand	2.68	3.03
ii) Balances with banks		
In current accounts	6.12	13.53
<b>Total cash and cash equivalents</b>	<b>8.80</b>	<b>16.56</b>
<b>b) Other bank balances</b>		
In deposit account (Unencumbered)	2.20	2.20
In deposit account (held as Margin/against Earnest Money Deposit/ Performance Security/Others)	39.85	30.86
<b>Total other balances with bank</b>	<b>42.05</b>	<b>33.06</b>
<b>Total cash and cash equivalents</b>	<b>50.85</b>	<b>49.62</b>
Included above		
i) Earmarked balance held as Margin/ against Earnest Money Deposit/ Performance Security/Others	39.85	30.86
<b>15 Loans - current</b>		
a) Security deposits	231.09	307.00
b) Advance to staff	0.80	0.78
c) Other advances	-	-
d) Loans to related party	-	-
e) Loans to body corporate	5.00	5.00
f) Loan to holding company	-	-
	<b>236.89</b>	<b>312.78</b>
<b>16 Other financial assets - current</b>		
a) Interest accrued on financial assets carried at amortised cost	4.32	3.81
b) Other receivables	-	383.24
	<b>4.32</b>	<b>387.05</b>
<b>17 Other current asset</b>		
a) Balances with government authorities	9.33	-
b) Other Advances	0.38	0.98
	<b>9.71</b>	<b>0.98</b>
<b>18. Share capital</b>		
<b>Authorised:</b>		
3,50,00,000 Equity Shares of Rs. 10 each	3,500.00	3,500.00
(as at March 31, 2020 : 3,50,00,000 Equity Shares of Rs. 10/- each)	<b>3,500.00</b>	<b>3,500.00</b>
<b>Issued, Subscribed and fully paid up:</b>		
3,46,30,630 Equity Shares of Rs. 10 each	3,463.06	3,463.06
(as at March 31, 2020 : 3,46,30,630 Equity Shares of Rs. 10/- each)	<b>3,463.06</b>	<b>3,463.06</b>

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

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

	For the year ended 31.03.2021		For the year ended 31.03.2020	
	No. of Shares	Amount Rs in lakhs	No. of Shares	Amount Rs in lakhs
<b>Equity shares</b>				
<b>Issued, subscribed and fully paid up:</b>				
At beginning and end of the year	346,30,630	3,463.06	346,30,630	3,463.06

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

	As at 31.03.2021		As at 31.03.2020	
	No. of Shares	%	No. of Shares	%
Mahanti Engineers Private Limited	50,82,600	14.68%	50,82,600	14.68%
Sunkissed Merchandise Private Limited	50,22,900	14.50%	50,22,900	14.50%
Keleenworth Marketing Private Limited	43,36,350	12.52%	43,36,350	12.52%

**Rights, preferences and restrictions attached to shares**

### Equity Shares

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

	As at 31.03.2021 Rs in lakhs	As at 31.03.2020 Rs in lakhs
<b>19. Other Equity</b>		
a) Securities premium	4,793.85	4,793.85
b) General reserve	484.87	484.87
c) Investment revaluation reserve	(211.84)	(211.72)
d) Retained Earnings	(4,603.59)	(4,642.69)
	<b>463.29</b>	<b>424.31</b>
<b>a) Securities premium</b>		
Balance as at the beginning and end of the year	4,793.85	4,793.85
	<b>4,793.85</b>	<b>4,793.85</b>

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of Section 52 of the Companies Act, 2013

### b) General reserve - Balance brought forward

Balance as at the beginning and end of the year	484.87	484.87
	<b>484.87</b>	<b>484.87</b>

Under the erstwhile Indian Companies Act, 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn though the Company may transfer such percentage of its profits for the financial year as it may consider appropriate. Declaration of dividend out of such reserve shall not be made except in accordance with rules prescribed in this behalf under the Act.

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

	As at 31.03.2021 Rs in lakhs	As at 31.03.2020 Rs in lakhs
<b>c) Retained earnings</b>		
Balance as at the beginning of the year	(4,642.69)	(4,003.26)
Profit/ (Loss) for the year	39.10	(639.43)
<b>Balance as at the end of the year</b>	<b>(4,603.59)</b>	<b>(4,642.69)</b>

Retained Earnings are the profits and gains that the Company has earned till date and adjustments done on transition to Ind AS, less any transfer to general reserve, dividends or other distributions paid to shareholders.

<b>d) Investment revaluation reserve</b>		
Balance as at the beginning of the year	(211.72)	-
Changes during the year	(0.12)	(211.72)
<b>Balance as at the end of the year</b>	<b>(211.84)</b>	<b>(211.72)</b>

The Company has elected to recognise changes in the fair value of certain investments in equity instruments in Other Comprehensive Income. These changes are accumulated within the FVOCI equity investments reserve within equity. The Company transfers amounts from this reserve to Retained Earnings when the relevant equity shares are derecognised.

	% of noncontrolling interests as at March 31, 2021	As at March 31, 2021 Rs in lakhs	% of noncontrolling interests as at March 31, 2020	As at March 31, 2020 Rs in lakhs
<b>20 Non Controlling Interest</b>				
Non controlling interest of subsidiaries:				
a) KDC Nirman Limited	51.00%	8.88	51.00%	8.63
b) Bengal KDC Housing Development Limited	51.00%	84.84	51.00%	60.44
c) Kaushalya Energy Private Limited	95.50%	(2.89)	95.50%	(2.89)
d) Azur Solar Private Limited	94.55%	0.01	94.55%	-0.01
		<b>90.84</b>		<b>66.17</b>
		<b>As at 31.03.2021 Rs in lakhs</b>		<b>As at 31.03.2020 Rs in lakhs</b>
<b>21 Provisions</b>				
a) Provision for employee benefits (Gratuity) [Refer Note 37.01]		8.46		8.46
		<b>8.46</b>		<b>8.46</b>
<b>22 Deferred tax balances</b>				
Deferred tax assets		485.21		626.43
Deferred tax liabilities		(15.40)		(22.11)
		<b>469.81</b>		<b>604.32</b>
	<b>Opening Balance</b>	<b>Recognised in profit and loss</b>		<b>Closing Balance</b>
<b>For the year ended 31.03.2021</b>				
<b>Deferred tax (liabilities)/assets in relation to:</b>				
Property, plant and equipment	(22.11)	(6.71)		(15.40)
Brought forward losses	624.23	141.22		483.01
Provision for employee benefits	2.20	-		2.20
	<b>604.32</b>	<b>134.51</b>		<b>469.81</b>
<b>For the Year ended 31.03.2020</b>	(29.05)	(6.94)		(22.11)
Brought forward losses	602.05	(22.18)		624.23
Provision for employee benefits	2.20	-		2.20
	<b>575.20</b>	<b>(29.12)</b>		<b>604.32</b>

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

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

	As at 31.03.2021 Rs in lakhs	As at 31.03.2020 Rs in lakhs
<b>23 Borrowings - current</b>		
<b>A. Secured - at amortised cost</b>		
a) Repayable on demand		
From banks	2,440.06	2,990.06
a) Cash credit	-	-
b) Loan from bank	-	-
c) From body corporate	-	-
d) From group companies	-	-
<b>Total secured borrowings</b>	<b>2,440.06</b>	<b>2,990.06</b>
<b>B. Unsecured - at amortised cost</b>		
a) Unsecured loans from group companies	-	-
<b>Total unsecured borrowings</b>	-	-
<b>Total borrowings</b>	<b>2,440.06</b>	<b>2,990.06</b>
<b>24 Trade payables</b>		
a) Total outstanding dues to micro enterprises and small enterprises	-	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	63.52	1,070.55
<b>Total trade payables</b>	<b>63.52</b>	<b>1,070.55</b>
Note:- The company does not have any outstanding dues to micro, small and medium enterprise for more than 45 days during the period and as on March 31, 2021 and March 31, 2020, respectively since it has not received any declaration/notice/letters from its creditors certifying or indicating them as Micro Small and Medium Enterprises.		
<b>25 Other financial liabilities</b>		
a) Advance received	-	1.00
b) Security Deposits	25.79	56.41
	<b>25.79</b>	<b>57.41</b>
<b>26 Income tax liabilities (net)</b>		
Income tax liabilities	0.03	4.62
	<b>0.03</b>	<b>4.62</b>
At the beginning of year	4.60	4.79
Changes for the year	17.49	17.62
Tax paid (Net) during year	(22.06)	(17.81)
At end of year- Advance tax/ (Provision for Tax)	<b>0.03</b>	<b>4.60</b>
Note:- Advance Income Tax has been netted off with the provision for income tax		
<b>27 Other current liabilities</b>		
a) Advance received from customers	230.66	230.66
b) Advance from joint venture	84.00	89.65
c) Employee recoveries and employer's contributions	0.12	0.10
d) Statutory dues	2.50	41.13
<b>Total other current liabilities</b>	<b>317.28</b>	<b>361.54</b>

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

	For the year ended 31.03.2021 ₹ in lakhs	For the Year ended 31.03.2019 ₹ in lakhs
<b>28 Revenue from operations</b>		
a) Contracts receipts	214.16	-
b) Receipts from hotel	10.44	11.68
(c). Revenue from agricultural business	2.74	6.37
<b>Total revenue from operations</b>	<b>227.34</b>	<b>18.05</b>
<p>#Revenue from Contract receipts under Revenue from Contract with Customers for the year ended March 31, 2021, includes Rs. 205.23 lakhs relating to contract work (including cost escalations) on reaching out a settlement through conciliation and closure of the Arbitration with National Highways Authority of India (NHAI).</p>		
<b>29 Other income</b>		
a) Interest income on financial assets carried at amortised cost		
i) From fixed deposits	2.52	2.66
ii) From loan and advances	20.80	28.93
b) Liabilities/provision no longer required written back	91.03	78.93
c) Miscellaneous income	433.33	0.04
d) Profit on sale of property, plant and equipment	0.39	-
<b>Total other income</b>	<b>548.07</b>	<b>110.56</b>
<p>#Other income for the year ended March 31, 2021, includes Rs. 432.52 lakhs relating to delayed payment interest on reaching out a settlement through conciliation and closure of the Arbitration with National Highways Authority of India (NHAI).</p>		
<b>30 Cost of materials consumed</b>		
<b>Raw materials consumed</b>		
a) Stock as at the beginning of the year	5.26	5.84
b) Add: Purchases	11.06	3.58
	<b>16.32</b>	<b>9.42</b>
c) Less: Stock as at the end of the year	5.26	5.26
<b>Total cost of materials consumed</b>	<b>11.06</b>	<b>4.16</b>
<b>31 Changes in inventories of finished goods and work in progress</b>		
<b>Inventories at the beginning of the year</b>		
a) Work-in-progress	41.04	41.04
	<b>41.04</b>	<b>41.04</b>
<b>Inventories at the end of the year</b>		
a) Work-in-progress	-	41.04
	-	41.04
<b>Net (increase)/decrease in inventories</b>	<b>41.04</b>	<b>-</b>
<p>The company has reassessed the net realisable value of inventory as at March 31, 2021. Based on the long outstanding dues against the bills raised to the customer, the company believes that it may not be able to realize the value of WIP and accordingly the WIP has been fully written down i.e. net realizable value is considered as Nil. The write down in the value of WIP of Rs. 41.04 lakhs has been recognised in the Statement of Profit &amp; Loss account with the amount reported under changes in inventory.</p>		
<b>32 Employee benefits expense</b>		
a) Salaries and wages, including bonus	27.74	31.64
b) Contribution to provident and other funds	0.15	0.19
c) Workmen and staff welfare expenses	0.36	0.45
d) Director's remuneration	11.40	11.40
<b>Total employee benefits expense</b>	<b>39.65</b>	<b>43.68</b>
<b>33 Finance costs</b>		
a) Interest expense on borrowings carried at amortised cost	0.56	1.63
b) Interest on income tax	1.08	1.73
<b>Total finance costs</b>	<b>1.64</b>	<b>3.36</b>

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

	For the year ended 31.03.2021 ₹ in lakhs	For the Year ended 31.03.2019 ₹ in lakhs
<b>34 Depreciation expense</b>		
a) Depreciation on Property, plant and equipments (Refer Note 05)	38.45	42.20
<b>Total depreciation</b>	<u>38.45</u>	<u>42.20</u>
<b>35 Other expenses</b>		
a) Consumption of stores, spare parts and loose tools	1.45	1.79
b) Repairs to buildings	-	0.60
c) Repairs to plant and machinery	2.60	1.45
d) Power and fuel	0.52	0.32
e) Rates, taxes and licenses	66.97	8.67
f) Electricity expenses	3.03	2.80
g) Insurance charges	0.33	0.13
h) Cultivation expenses	1.31	2.38
i) Selling and distribution expenses	0.82	0.89
j) Legal and professional fee	23.34	17.72
k) Travelling and conveyance expenses	2.72	3.59
l) Telephone expenses	0.32	1.60
m) Directors' sitting fees	1.16	0.94
n) Printing and stationery	0.40	1.70
o) Audit fees [Note 35.1]	1.42	1.42
p) Loss allowance on trade receivables	61.90	1.20
q) Loss on sale of shares	-	81.17
r) Rent	8.40	8.34
s) Sundry balances written off	68.53	69.15
t) Loss Allowance created/(reversed) on security deposits	-56.78	331.25
u) Commission to Managing Director	3.54	3.44
v) Other general expenses	11.90	6.64
<b>Total other expenses</b>	<u>203.88</u>	<u>547.19</u>
<b>35.1 Audit fee includes payment to statutory auditor towards:</b>		
i) Statutory audit fee	1.42	1.42
<b>36 Income tax recognised in profit and loss</b>		
Current tax		
In respect of the current year	17.66	17.85
In respect of earlier years	236.66	0.01
	<u>254.32</u>	<u>17.86</u>
Deferred tax		
In respect of the current year	134.51	(29.12)
	<u>134.51</u>	<u>(29.12)</u>
<b>37 Earnings per share (in Rupees)</b>		
<b>Basic and diluted earnings per share</b>		
The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows:		
Profit/ (loss) for the year	63.64	(615.07)
Profit/ (loss) attributable to the Equity Shareholders (A)	63.64	(615.07)
Weighted average number of equity shares for the purpose of basic earnings per share (B)	346,30,630	346,30,630
Face value of Equity shares (In Rupees)	10.00	10.00
Basic and diluted earnings per share (In Rs.)	0.18	(1.78)
The Company is not having any potential ordinary shares which are dilutive in nature.		

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

	As at 31.03.2021 Rs in lakhs	As at 31.03.2020 Rs in lakhs
<b>38 Additional information to the Financial Statements</b>		
<b>38.01 Contingent liabilities</b>		
<b>1 Claims not acknowledged as debts</b>		
Income Tax Demand (Assessment Year 2004-05)	16.34	-
Income Tax Demand (Assessment Year 2007-08)	-	20.63
Income Tax Demand (Assessment Year 2009-10)	30.89	20.19
Income Tax Demand (Assessment Year 2010-11)	73.72	37.61
Income Tax Demand (Assessment Year 2011-12)	-	1.91
Income Tax Demand (Assessment Year 2012-13)	1,044.46	59.26
Income Tax Demand (Assessment Year 2013-14)	449.20	332.74
Income Tax Demand (Assessment Year 2014-15)	734.86	513.89
Income Tax Demand (Assessment Year 2017-18)	0.05	NIL
The Central Excise Act, 1944, Service Tax	NIL	896.85
The WBVAT Act, 2003, VAT	817.10	NIL
The WBVAT Act, 2003, VAT	69.48	69.48
	<b>3,236.10</b>	<b>1,952.55</b>

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

### 38.02 Capital and other commitments

- a) Capital commitments
- |  |     |     |
|--|-----|-----|
| Estimated value of contracts remaining to be executed on capital account | NIL | NIL |
|--|-----|-----|

### 38.03 Contingent assets

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

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

- i) The debts of Indian Overseas Bank (IOB) and State Bank of India (SBI) were taken over by Alchemist Asset Reconstruction Company (Trust VII) (ARC). The company has reached a settlement of its debts with respect to the amount taken over by ARC from SBI and restructuring of the debts with respect to the amount taken over from IOB by the ARC. The settlement amount with respect to SBI of Rs. 370.00 lakhs has been paid by the company to the ARC and the restructured amount relating to IOB of Rs. 1,302.50 is to be paid by the company to the ARC in quarterly instalments as per the restructuring schedule till March'24, out of which company has already paid Rs. 797.05 lakhs till March 31, 2021. Once the payment of final instalment is done the company will issue Non Convertible Debentures of Rs.1000 lakhs to the ARC, subject to certain condition.
- ii) The company has not yet recognised any gain/ notional gain on restructuring/ settlement of loan, pending filling of consent application/ application reflecting restructuring/settlement by Alchemist Asset Reconstruction Company Limited with the Debt Recovery Tribunal in the cases pending thereat. As per restructuring agreement, In case of failure to make payment as per schedule given in Annexure-B or in case of failure to comply with any other terms & conditions specified in Annexure-A, this restructuring shall stand revoked without any notice and any amount paid by you shall be forfeited and adjusted towards total dues.
- (iii) Dispute between the Company and the West Bengal Small Industries Development Corporation Ltd. (WBSIDCL) was awarded in favour of the company through arbitration. The WBSIDCL had preferred an appeal against the arbitration award u/s. 34 of the Arbitration & Conciliation Act, 1996 in the Kolkata High Court. The award amount of Rs. 1,306.16 lakhs (Contingent Assets Rs. 927.11 lakhs) plus interest is pending as on March 31, 2021.



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

	For the year ended 31.03.2021 <u>Rs in lakhs</u>	For the year ended 31.03.2020 <u>Rs in lakhs</u>
<b>39 Disclosures under Indian Accounting Standards</b>		
<b>39.01 Employee Benefits</b>		
<b>Defined Contribution plans</b>		
The Company has not transferred any amount towards long term defined benefit obligations as the management estimates that provision for retirement benefits is sufficient. Further the company has made contribution to following defined contribution plans:-		
Provident and other funds	0.15	0.19
<b>Total</b>	<u><u>0.15</u></u>	<u><u>0.19</u></u>
<b>Defined Benefit Plans</b>		
The Company provided the following employee benefits		
<b>Funded :</b> Provident Fund		
<b>Non Funded:</b> Gratuity		
<b>39.02 Details of the Gratuity Plan are as follows</b>		
Description	<b>2020-21</b> <u>Rs in lakhs</u>	<b>2019-20</b> <u>Rs in lakhs</u>
<b>1. Reconciliation of opening and closing balances of obligation</b>		
a. Obligation as at beginning of the year	8.46	8.46
b. Current service cost	-	-
c. Interest cost	-	-
d. Liabilities assumed from associate companies for transferred employees	-	-
e. Actuarial (gain)/loss	-	-
f. Benefits paid	-	-
g. Obligation as at end of the year	8.46	8.46
<b>2. Change in fair value of plan assets</b>		
a. Fair value of plan assets as at beginning of the year	-	-
b. Expected return on plan assets	-	-
c. Assets transferred from associate companies for transferred employees	-	-
d. Actuarial gain/(loss)	-	-
e. Contributions made by the company	-	-
f. Benefits paid	-	-
g. Fair value of plan assets as at end of the year	-	-
<b>3. Reconciliation of fair value of plan assets and obligations</b>		
a. Present value of obligation	8.46	8.46
b. Fair value of plan assets	-	-
c. Amount recognised in the balance sheet Asset/(Liability)	(8.46)	(8.46)
<b>4. Expenses recognised during the year</b>		
a. Current service cost	-	-
b. Interest cost	-	-
c. Expected return on plan assets	-	-
d. Actuarial (gain)/loss	-	-
e. Expenses recognised during the year	-	-
<b>6. Assumptions</b>	%	%
a. Discount rate (per annum)	-	-
b. Rate of escalation in salary	-	-

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

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

### 39.03 Segment Reporting

The Group's operating segments are established on the basis of those components of the Group that are evaluated regularly by the Management, in deciding how to allocate resources and in assessing performance. These have been identified taking into account nature of products and services, the differing risks and returns and the internal business reporting systems.

The Group has two principal operating and reporting segments; viz. Construction & Hotel.

The accounting policies adopted for segment reporting are in line with the accounting policy of the group with following additional policies for segment reporting:-

- Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and Expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".
- An operating segment is classified as Reportable segment if reported revenue (including inter-segment revenue) or absolute amount of result or assets exceed 10% or more of the combined total of all the operating segments.
- Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".
- As per Indian Accounting Standard 108 - Operating Segments, the group has reported segment information on consolidated basis including businesses conducted through its subsidiaries.

	<b>2020-21</b>	<b>2019-20</b>
	<b>Rs in lakhs</b>	<b>Rs in lakhs</b>
<b>01 Segment Revenue</b>		
a) Construction	214.16	-
b) Hotel	13.18	18.05
<b>Total Revenue</b>	<b>227.34</b>	<b>18.05</b>
<b>02 Segment Results</b>		
a) Construction	(103.36)	(619.41)
b) Hotel	-3.38	0.23
<b>Total</b>	<b>(106.74)</b>	<b>(619.18)</b>
Less: Finance cost	1.64	3.36
Other unallocable (income)/expenditure	(548.07)	(110.56)
Less: Profit / (Loss) of associate	12.91	(114.29)
Profit/ (loss) before Tax	452.60	(626.27)
Less: Tax expense	388.83	(11.20)
<b>Profit/ (loss) before Tax</b>	<b>63.76</b>	<b>(615.07)</b>
<b>03 Capital Employed</b>		
<b>Segment Assets</b>		
a) Construction	6,767.16	8,341.44
b) Hotel	105.17	104.75
<b>Total assets</b>	<b>6,872.33</b>	<b>8,446.19</b>
<b>Segment Liabilities</b>		
a) Construction	2,854.16	4,492.37
b) Hotel	0.98	0.28
<b>Total liabilities</b>	<b>2,855.14</b>	<b>4,492.65</b>

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

### 40 Financial instruments

#### 40.01 Capital management

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long term and short term goals of the Company. The Company determines the amount of capital required on the basis of annual business plan also taking into consideration any long term strategic investment and expansion plans. The funding needs are met through equity and cash generated from operations.

The Company manages its capital to ensure that entities will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Capital structure of the Company consists of net debt (borrowings as detailed in note 21 offset by cash and bank balances) and the total equity of the Company.

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

#### 40.02 Financial risk management

##### 40.02.01 Interest Rate Risk Management

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

##### 40.02.02 Credit risk management

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

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

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

##### 40.02.03 Liquidity risk management

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

##### Liquidity and interest risk tables

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

#### 40.03 Financial risk management objectives and policies

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

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

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

#### 40.04 Market risk

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

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

### 40.05 Credit risk management

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

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

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

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

### 40.06 Liquidity risk management

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

#### Liquidity and interest risk tables

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

				₹ in lakhs
	<u>Current/ Non Current</u>	<u>Carrying amount</u>	<u>1-3 months</u>	<u>3 months to 1 year</u>
<b>As at 31.03.2021</b>				
Long term Borrowings	Current	2,440.06	-	2,440.06
Trade payables	Current	63.52	63.52	-
		<u>2,503.58</u>	<u>63.52</u>	<u>2,440.06</u>
<b>As at 31.03.2020</b>				
Long term Borrowings	Current	2,990.06	-	2,990.06
Trade payables	Current	1,070.56	1,070.56	-
		<u>4,060.62</u>	<u>1,070.56</u>	<u>2,990.06</u>

### 40.7 Fair value measurements

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

#### Financial assets and Liabilities

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

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

As at March 31, 2021						
	Current/ Non Current	Fair Value through Other Profie or Loss	Fair Value thorough OCI	Amortised Cost	Total Carrying Value	Total Fair Value
<b>Financial Assets:</b>						
Investments in equity instruments	Non Current	-	510.98	-	510.98	510.98
Investments in preference shares	Non Current	3,596.76	-	-	3,596.76	3,596.76
Loans	Non Current	-	-	430.73	430.73	430.73
Trade receivables	Current	-	-	470.28	470.28	470.28
Cash and cash equivalent	Current	-	-	8.80	8.80	8.80
Other balances with Bank	Current	-	-	42.05	42.05	42.05
Loans	Current	-	-	236.89	236.89	236.89
Other financial assets	Current	-	-	4.32	4.32	4.32
<b>Total</b>		<b>3,596.76</b>	<b>510.98</b>	<b>1,193.07</b>	<b>5,300.81</b>	<b>5,300.81</b>
<b>Financial Liabilities</b>						
Borrowings	Current	-	-	2,440.06	2,440.06	2,440.06
Trade payables	Current	-	-	63.52	63.52	63.52
Other financial liabilities	Current	-	-	25.79	25.79	25.79
<b>Total</b>		<b>-</b>	<b>-</b>	<b>2,529.37</b>	<b>2,529.37</b>	<b>2,529.37</b>

### As at March 31, 2020

<b>Financial Assets:</b>						
Investments in equity instruments	Non Current	-	511.11	-	511.11	511.11
Investments in preference shares	Non Current	3,596.76	-	-	3,596.76	3,596.76
Loans	Non Current	-	-	534.67	534.67	534.67
Trade receivables	Current	-	-	1,377.30	1,377.30	1,377.30
Cash and cash equivalent	Current	-	-	16.56	16.56	16.56
Other balances with Bank	Current	-	-	33.06	33.06	33.06
Loans	Current	-	-	312.78	312.78	312.78
Other financial assets	Current	-	-	387.05	387.05	387.05
<b>Total</b>		<b>3,596.76</b>	<b>511.11</b>	<b>2,661.42</b>	<b>6,769.29</b>	<b>6,769.29</b>
<b>Financial Liabilities</b>						
Borrowings	Current	-	-	2,990.06	2,990.06	2,990.06
Trade payables	Current	-	-	1,070.56	1,070.56	1,070.56
Other financial liabilities	Current	-	-	57.41	57.41	57.41
<b>Total</b>		<b>-</b>	<b>-</b>	<b>4,118.03</b>	<b>4,118.03</b>	<b>4,118.03</b>

### Fair Value hierarchy

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

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

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

₹ in lakhs

	As at 31.03.2021			Total
	Level 1	Level 2	Level 3	
<b>Financial assets:</b>				
Investments in equity instruments	-	-	510.98	510.98
Investments in preference shares	-	-	3,596.76	3,596.76
<b>Total</b>	<b>-</b>	<b>-</b>	<b>4,107.74</b>	<b>4,107.74</b>
	As at 31.03.2020			Total
	Level 1	Level 2	Level 3	
<b>Financial assets:</b>				
Investments in equity instruments	-	-	511.11	511.11
Investments in preference shares	-	-	3,596.76	3,596.76
<b>Total</b>	<b>-</b>	<b>-</b>	<b>4,107.87</b>	<b>4,107.87</b>

### 41 Related party transactions

#### List of related parties and relationship

Name of the related party	Nature of Relationship	Business	Country of Incorporation	Incorporation details
KDC Nirman Ltd.	Subsidiaries	Real estate development	India	04.03.2008
Bengal KDC Housing Development Ltd.	Subsidiaries	Housing projects	India	28.06.2006
Kaushalya Energy (P) Ltd.	Subsidiaries	Generation and distribution of power	India	15.09.2008
Azur Solar KDC (P) Ltd.	Step Down Subsidiary	Generation and Distribution of Solar Power	India	19.05.2010
Kaushalya Nirman (P) Ltd.	Associates	Real estate development	India	05.09.2006
Orion Abasaan (P) Ltd.	Associates	Housing projects	India	05.09.2006
Kaushalya Township (P) Ltd.	Associates	Real estate development	India	05.09.2006
KIDCO NACC JV	Joint Venture	Construction of Small Hydro Power Project	India	01.07.2009
Mahesh Mehra	Whole Time Director of Holding Company			
Ramesh Kumar Mehra	Director of Subsidiary Company			
Prashant Mehra	Managing Director of Subsidiary Company			
Ramkrishna Mondal	Independent Director of Holding Company			
Asoke Das	Independent Director of Holding & Subsidiary Company			
Minoti Nath	Independent Director of Holding & Subsidiary Company			
Sandip Sarkar	Independent Director of Holding Company			
Ashok Kumar Roychoudhury	Independent Director of Subsidiary Company			
Tarak Nath Mishra	WTD & Chief Financial Officer of Holding Company			
Sanjay Lal Gupta	WTD & Company Secretary of Holding and Co. Secretary of Subsidiary Company			
Puja Singh	Company Secretary of Subsidiary Company			
Neeru Mehra	Spouse of Brother of Whole Time Director of Holding Company			
Karan Mehra	Chief Financial Officer of Subsidiary Company			

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

Particulars	KMP & Close members of their family	Subsidiaries/ Associates/ JV	Total	Outstanding as on March 31, 2021	Outstanding as on March 31, 2020
<b>Remuneration/ Commission paid to KMP</b>					
Mahesh Mehra, Whole Time Director	11.40	-	11.40	-	-
Prashant Mehra	3.54	-	3.54	3.40	-
Ramesh Kumar Mehra	15.00	-	15.00	-	-
Tarak Nath Mishra, CFO	5.28	-	5.28	0.44	-
Sanjay Lal Gupta, Company Secretary	2.55	-	2.55	0.25	-
<b>Total</b>	<b>19.23</b>	<b>-</b>	<b>19.23</b>	<b>4.09</b>	<b>-</b>
<b>Previous Year</b>					
Mahesh Mehra, Whole Time Director	11.40	-	11.40	-	0.85
Prashant Mehra	3.44	-	3.44	-	3.27
Ramesh Kumar Mehra	15.00	-	15.00	-	1.05
Karan Mehra, Son of Mahesh Mehra	4.00	-	4.00	-	-
Tarak Nath Mishra, CFO	5.28	-	5.28	-	-
Sanjay Lal Gupta, Company Secretary	2.10	-	2.10	-	-
Puja Singh	0.70	-	0.70	-	-
<b>Total</b>	<b>41.92</b>	<b>-</b>	<b>41.92</b>	<b>-</b>	<b>5.17</b>
<b>Sitting Fee to directors</b>					
Ramkrishna Mondal	0.27	-	0.27	-	-
Sandip Sarkar	0.45	-	0.45	-	-
Minoti Nath	0.61	-	0.61	-	-
Asoke Das	0.16	-	0.16	-	-
Ashok Kumar Roychoudhury	0.07	-	0.07	-	-
<b>Total</b>	<b>1.55</b>	<b>-</b>	<b>1.55</b>	<b>-</b>	<b>-</b>
<b>Previous Year</b>					
Asoke Das	0.49	-	0.49	-	-
Sandip Sarkar	0.21	-	0.21	-	-
Ashok Kumar Roychoudhury	0.15	-	0.15	-	-
Minoti Nath	0.64	-	0.64	-	-
<b>Total</b>	<b>1.48</b>	<b>-</b>	<b>1.48</b>	<b>-</b>	<b>-</b>
<b>Rent Paid</b>					
Neeru Mehra	6.00	-	6.00	-	-
<b>Total</b>	<b>6.00</b>	<b>-</b>	<b>6.00</b>	<b>-</b>	<b>-</b>
<b>Previous Year</b>					
Neeru Mehra	6.00	-	6.00	-	0.45
<b>Total</b>	<b>6.00</b>	<b>-</b>	<b>6.00</b>	<b>-</b>	<b>0.45</b>
<b>Advance Repaid</b>					
Kidco NACC JV	-	5.65	5.65	84.00	-
<b>Total</b>	<b>-</b>	<b>5.65</b>	<b>5.65</b>	<b>84.00</b>	<b>-</b>
<b>Previous Year</b>					
Kidco NACC JV	-	3.74	3.74	-	89.65
<b>Total</b>	<b>-</b>	<b>3.74</b>	<b>3.74</b>	<b>-</b>	<b>89.65</b>
			<b>As at 31.03.2021</b>		<b>As at 31.03.2020</b>
			<b>Rs in lakhs</b>		<b>Rs in lakhs</b>
<b>42 Disaggregation of Revenue from contracts with customers</b>					
<b>India</b>					
<b>Revenue from operations</b>					
a) Contracts receipts			214.16		-
b) Receipts from hotel			10.44		11.68
c) Revenue from agricultural business			2.74		6.37
			<b>227.34</b>		<b>18.05</b>
<b>Contract Assets</b>					
Trade receivables			470.28		1,377.30
<b>Contract Liabilities</b>					
Advance from customers			-		-













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**Kaushalya Infrastructure Development Corporation Ltd.**  
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HB 170, Sector III, Salt Lake  
Kolkata - 700 106