KAUSHALYA
INFRASTRUCTURE
An ISO 9001-2008 Company

Date: 12th September, 2017

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

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

Dear Sir/ Madam,

Stock Code, BSE: 532925
NSE: KAUSHALYA

Sub: Annual Report for the financial year 2016-17

With reference to the above subject, please find enclosed Annual Report for the financial year 2016-17 as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, duly approved and adopted by the members as per the provisions of the Companies Act, 2013.

This is for your information and records.

Thanking You

Yours Faithfully,
For Kaushalya Infrastructure Development Corp. Ltd.
Kaushalya Infrastructure Dev. Corporation Ltd
Company Secretary
(Sanjay Lal Gupta)
Company Secretary

KAUSHALYA
INFRASTRUCTURE
Development Corporation Limited
BUILDING FOUNDATIONS FOR OUR TOMORROW

Annual Report 2016-17









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

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Mahesh Mehra
Whole-time Director

Mr. Parag Keshar Bhattacharjee
Independent Director (upto 30.09.2016)

Mrs. Minoti Nath
Woman Independent Director

Mr. Anil Kumar Agarwal
Independent Director (w.e.f 04.05.2016)

Mr. Asoke Das
Independent Director (w.e.f 30.12.2016)

Mr. Tarak Nath Mishra
Chief Financial Officer

COMPANY SECRETARY & COMPLIANCE OFFICER

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

REGISTRAR AND SHARE TRANSFER AGENT

C B Management Services (P) Ltd
P-22, Bondel Road, Kolkata-700 019
Tel-91-33-228006692/93/94/2486
Fax-91-33-22870263
Website-www.cbmsl.com

STATUTORY AUDITORS

M/s. Monu Jain & Company
Chartered Accountants
2, Clive Ghar Street, Sagar Estate
Ground Floor, Room No. 2
Kolkata-700 001
Email-camonuj@gmail.com

SECRETARIAL AUDITORS

M/s. S. K. Kabra & Associates
Practising company Secretaries
10, Ganesh Chandra Avenue,
4th floor, Suite 24A, Kolkata - 700 013
Email-csshaileshkabra@gmail.com

BANKERS

State Bank of India
Indian Overseas Bank

REGISTERED OFFICE

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

Notice

Notice is hereby given that the Twenty Fifth (25th) Annual General Meeting (AGM) of the Members of **KAUSHALYA INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED** will be held on Monday, the 11th day of September 2017 at 10:30 A.M. at "Aikatan", EZCC, IA-290, Sector-III, Salt Lake, Kolkata - 700 106 to transact the following businesses:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Financial Statements (including Consolidated Financial Statements) of the Company for the year ended 31st March, 2017, including the Audited Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date together with the report of Board of Directors and Auditors' Report thereon.

2. To appoint a Director in place of Mr. Mahesh Mehra (DIN- 00086683), Whole-time Director who retires by rotation and being eligible, offers himself for re-appointment.

3. To ratify the appointment of Statutory Auditors and to authorize the Board of Directors to fix their remuneration and in connection there with to consider and if thought fit, to pass with or without modification(s), the following resolution on as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provision of Section 139, 149 & other applicable provision, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time and resolution passed by the Members at the Annual General Meeting (AGM) held on 22.09.2016, the appointment of M/s. Monu Jain & Company, Chartered Accountants, Kolkata (Firm Registration No. 327900E) as Statutory Auditors of the Company to hold office until the conclusion of the 27th AGM of the Company be and is hereby ratified on such remuneration as may be determined by the Board of Directors of the Company".

SPECIAL BUSINESS:

4. Appointment of Mr. Asoke Das (DIN: 07691831), as an Independent Director for a term of five years.

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

   "RESOLVED THAT Mr. Asoke Das (DIN: 07691831), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 30th December, 2016 under Section 161(1) of the Companies Act, 2013, read with Article 116 of the Articles of Association of the Company and who holds office up to the date of ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013 to hold office for

Notice (contd.)

five consecutive years up to 30th December, 2021."

5. Re-appointment of Mr. Mahesh Mehra (DIN-00086683), as a Whole-time Director of the company.

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

"RESOLVED THAT pursuant to provisions of Section 196, 197, 203 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V thereof, the recommendations of Nomination & Remuneration Committee and the Board of Directors, the consent of Members of the Company be and is hereby accorded to the re-appointment of Mr. Mahesh Mehra (DIN-00086683) as a Whole-time Director of the Company for the period of five years with effect from September 4, 2017 on the terms and conditions as set out in the Explanatory Statement annexed to the Notice convening this meeting.

RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in the said regard."

By Order of the Board
Kaushalya Infrastructure Development
Corporation Ltd.

Sanjay Lal Gupta
Company Secretary

Dated: July 24, 2017
Registered Office:
HB-170, Sector III, Salt Lake
Kolkata : 700106
CIN : L51216WB1992PLC055629
Ph : 033-23344148
Email : info@kaushalya.net

Notice (contd.)

Notes

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

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

2. The Register of Members and Share Transfer Books of the Company will remain closed from 5th September, 2017 to 11th September, 2017 (both days inclusive).

3. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in relation to the Special Business is annexed hereto and forms part of this Notice.

4. Members who hold shares in dematerialized form are requested to bring their Demat Statement mentioning therein the Client ID and DP ID numbers along with a Photo Identity Card for easy identification of attendance at the meeting.

5. Corporate members are requested to send a duly certified copy of the Board Resolution under section 113 of Companies Act, 2013, authorizing their representative to attend and vote at the AGM.

6. Shareholders holding shares in physical form are requested to advise the company and the members holding shares in dematerialized form are requested to advise their Depository Participants immediately about any change in their address.

7. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form can be downloaded from the Company's website: www.kaushalya.net under the section 'Other' of section 'Investor Relationship'.

8. Electronic copy of the Notice of the 25th Annual General Meeting along with the Annual Report 2016- 17 of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose Email IDs are registered with the Depository Participants(s)/Company for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 25th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

9. Members may also note that the Notice of 25th Annual General Meeting and the Annual Report 2016-17 will also be available on company's website: www.kaushalya.net under the section 'Financials' for download.

10. The members who have not yet registered their e-mail address are requested to do so to support the green initiative in the Corporate Governance.

11. All documents referred to in the accompanying

Notice (contd.)

Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours on all working days except Saturdays.

12. Members holding shares in physical mode are requested to provide their Email Id, CIN/ Regn. No. (for corporate members), Unique Identification No., PAN, in case member is minor then date of birth of minor and name of guardian, declaration regarding beneficial ownership (if any), nomination details, lien details (if any), particulars of dividend mandate etc. and such other information as mentioned under section 88 (1)(a) of the Companies Act, 2013 and rule 3(1) of the Companies (Management and Administration) Rules, 2014 for receiving all communications/ documents electronically. Members holding in demat mode are requested to provide the above information to their depository participant.

13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/RTA for registration of transmission/ transposition, deletion of name etc.

14. A statement containing details of the Directors seeking appointment/reappointment at the forthcoming Annual General Meeting as required under Regulation 36 of the SEBI (LODR) Regulations, 2015 is annexed.

15. In terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 the Company is pleased to provide the facility of remote e-voting to all members, for which purpose the Company has engaged the services of National Securities Depository Limited (NSDL).

16. Voting rights will be reckoned on the paid-up value of shares registered in the name of the Members as on 4th September, 2017 (cut-off date). Only those members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date will be entitled to cast their votes by remote e-voting or ballot paper voting at the AGM.

17. The facility for voting through ballot paper will also be made available at the AGM and the members attending the AGM who have not casted their vote through remote e-voting shall be able to exercise their right at the AGM through ballot paper. The members who have already cast their vote through remote e-voting can attend AGM but shall not be entitled to cast their votes again.

18. E-voting Process:

    I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and 44 of SEBI (LODR) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted

Notice (contd.)

through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

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

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

IV. The remote e-voting period commences on 8th September, 2017 (9:00 am) and ends on 10th September, 2017 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 4th September, 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

V. The process and manner for remote e-voting are as under:

A. In case a Member receives an email from NSDL [for members whose Email IDs are registered with the Company/Depository Participants(s)]:

(i) Open email and open PDF file viz; **"Kaushalya Infrastructure Development remote e-voting. pdf"** with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.

NOTE: Shareholders already registered with NSDL for e-voting will not receive the PDF file **"Kaushalya Infrastructure Development remote e-voting. pdf".**

(ii) Launch internet browser by typing the following URL: https://www.evoting.nsdl.com/

(iii) Click on Shareholder - Login

(iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.

(v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.

(vii) Select "EVEN" of "Kaushalya Infrastructure Development Corporation Limited".

(viii) Now you are ready for remote e-voting as Cast Vote page opens.

(ix) Cast your vote by selecting appropriate option and click on

Notice (contd.)

"Submit" and also "Confirm" when prompted.

(x) Upon confirmation, the message "Vote cast successfully" will be displayed.

(xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

(xii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to csmdshah@gmail.com with a copy marked to evoting@nsdl.co.in.

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

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

EVEN (Remote e-voting Event Number) _____

User ID _____

Password _____

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

Other Instructions:

VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.

VII. If you are already registered with NSDL for remote e-voting then you can use your existing User ID and Password/PIN for casting your vote.

NOTE: Shareholders who forgot the User Details/Password can use "Forgot User Details/Password?" or "Physical User Reset Password?" option available on ***www.evoting.nsdl.com.***

In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DPID + Client ID).

In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No+Folio No).

VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 4th September, 2017.

X. Any person, who acquires shares of the Company and become member of the

Notice (contd.)

Company after dispatch of the notice and holding shares as of the cut-off date i.e. 4th September, 2017, may obtain the Login ID and Password by sending a request at evoting@nsdl.co.in or RTA at rta@cbmsl.com mentioning.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/ Password?" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

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

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

XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

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

XVI. The Results declared along with the report of the Scrutinizer shall be placed on the website of Company i.e. www.kaushalya.net and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to National Stock Exchange of India Ltd and BSE Ltd.

Notice (contd.)

EXPLANATORY STATEMENT

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

Item No. 4

Mr. Asoke Das (DIN: 07691831) was appointed as an Additional Director in the capacity of Non-Executive Independent Director with effect from 30th December, 2016 under Section 161(1) of the Companies Act, 2013 read with Article 116 of the Articles of Association of the Company. He holds office up to the date of ensuing Annual General Meeting of the Company and is eligible for re-appointment as Independent Director for five consecutive years up to 30th December, 2021. The Company has received notice under Section 160 of the Companies Act, 2013 proposing his appointment as an Independent Director of the Company. Mr. Asoke Das is a director whose period of office is not liable to determination by retirement of directors by rotation under section 159 of the Companies Act, 2013. In the opinion of the Board, he fulfills the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013 and rules made thereunder for appointment as Independent Director. Copy of the draft letter of appointment setting out the terms and conditions would be available for inspection without any fee at the Registered Office of the Company during normal business hours on any working day.

Details regarding Mr. Asoke Das (DIN: 07691831) and his brief resume are given in the Annexure attached to the Notice. Keeping in view his experience and expertise, the Board of Directors recommends the proposed Ordinary Resolution for approval of the members.

Except Mr. Asoke Das (DIN: 07691831), none of the other Directors or key managerial personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out in Item No.4.

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

Item No. 5

The Board of Directors at its meeting held on 24th July, 2017 re-appointed Mr. Mahesh Mehra (DIN 00086683) as Whole-time Director of the Company with effect from September 4, 2017 for a period of five years on the basis of recommendation of Nomination & Remuneration Committee and subject to approval of the shareholders. For this purpose, an agreement has been entered into by the Company with the Whole-time Director on July 24, 2017. The main terms and conditions of appointment of the Whole-time Director, as contained in the respective agreement dated July 24, 2017 are furnished below:

a. Term of appointment: - Five years with effect from September 4, 2017

b. Salary & Perquisites: ₹ 95,000/- (Rupees Ninety Five Thousand only) per month payable including Transport Allowance of ₹ 15000/-. The annual increment will be decided by the Board of Directors of the Company.

The Board therefore recommends the resolutions for your approval.

Except Mr. Mahesh Mehra (DIN: 00086683), none of the other Directors or key managerial personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out in Item No.5.

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

Copy of the agreement dated July 24, 2017 referred above are available for inspection at the Registered Office of the Company during normal business hours on all working days except Saturday till the date of ensuing Annual General Meeting.

Notice (contd.)

Route Map to the venue of the 25th AGM of Kaushalya Infrastructure Development Corporation Limited



"Aikatan", EZCC, IA-290,
Sector-III, Salt Lake,
Kolkata - 700 106

Notice (contd.)

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

Particulars	**Mr. Asoke Das**	**Mr. Mahesh Mehra**
Date of Birth	December 10, 1944	November 17, 1955
Date of Appointment	December 30, 2016	June 4, 1992
Educational Qualification	Master's Degree in Chemical Engineering, Chemical Technology & Ph.D. from Indian Institute of Technology, Kharagpur.	Bachelor of Commerce
Expertise in specific functional areas	Extensive knowledge and experience in Polymer Emulsion, Team Work, Project Management, Leadership and Operation of Diverse nature of Manufacturing Business	Extensive expertise in Management and Operation of Diverse nature of Business.
Directorship in other Companies as on March 31, 2017	1.Kaushalya Infrastructure Development Corporation Ltd 2.Bengal KDC Housing Development Ltd.	1.Kaushalya Infrastructure Development Corporation Ltd 2. Keleenworth Marketing Pvt. Ltd. 3.Trimurti Component Pvt. Ltd.
Chairman/ Member in the Committees of the Boards of the companies as on March 31, 2017	**Chairman:** 1.Audit Committee- Bengal KDC Housing Development Ltd 2.Nomination & Remuneration Committee - Bengal KDC Housing Development Ltd **Member :** 1.Audit Committee - Kaushalya Infrastructure Development Corporation Limited 2.Nomination & Remuneration Committee - Kaushalya Infrastructure Development Corporation Limited 3.Stakeholders' Relationship Committee - Kaushalya Infrastructure Development Corporation Limited	**Chairman:** None **Member:** 1.Audit Committee - Kaushalya Infrastructure Development Corporation Limited 2.Stakeholders' Relationship Committee - Kaushalya Infrastructure Development Corporation Limited
Number of shares held as on March 31, 2017	NA	48110
Inter se relation between Directors'	Not Related	Not Related

Directors' Report

Dear Shareholders,

The Directors are pleased to present the 25th Annual Report together with the Audited Accounts for the financial year ended March 31, 2017.

Financial Performance

The Financial performance of your Company, for the year ended March 31, 2017 is summarized below:-

(₹ In Lacs)

Particulars	Standalone				Consolidated			
		31.03.17		31.03.16		31.03.17		31.03.16
Contract Revenue & Other Income		**35.23**		**177.39**		**36.94**		**187.50**
Profit before Depreciation, Interest & Tax		(403.37)		(5439.47)		(403.50)		(5437.12)
Less : Depreciation	43.31		44.23		45.71		46.63	
Interest	(40.28)	3.23	(3.43)	40.80	(40.02)	5.69	(3.35)	43.27
Profit before Tax		**(406.60)**		**(5480.27)**		**(409.19)**		**(5480.40)**
Less : Provision for Tax								
Current Tax	-		-		-		-	
Deferred Tax	(5.80)		(4.82)		5.80		(4.82)	
Prior Years Tax	-		-		0.01		0.02	
Income Tax for Earlier Year		(5.80)		(4.82)		(5.79)		(4.80)
Net Profit/(Loss) After Tax		**(400.79)**		**(5475.45)**		**(403.40)**		**(5475.60)**
Less : Minority Interest		-		-		(1.29)		0.03
Add: Share of Profit of Associate		-		-		14.61		0.08
Net Profit After Minority Interest		-		-		(387.50)		(5475.55)
Balance b/f from previous year		(5709.78)		(234.34)		(5729.05)		(253.50)
Balance available for appropriations		**(5709.78)**		**(234.34)**		**(5729.05)**		**(253.50)**
APPROPRIATIONS								
Transfer to General Reserve		-		-				
Balance Carried to Balance Sheet		**(6110.58)**		**(5709.78)**		**(6116.55)**		**(5729.05)**

State of Affair & Operations Review

During the year under review on a Standalone basis your Company has registered total income from operation of ₹ 35.23 Lacs as against ₹ 177.39 Lacs in the previous year. Reduction in top line was due to delay in decisions from various clients for tenders submitted by Company and lower success rates in bids for infrastructure projects made in a significantly reduction in overall realization of Company. The profit before Depreciation, interest and tax for the year stood to ₹ Lacs (403.37) as compared to ₹ (5439.47) Lacs in previous year. The PAT was ₹ (400.79) Lacs against the financial year PAT (5475.45) a 92.68% decline over last year. The decline in loss figure occurred during current period is mainly due to less write off various debtors.

On Consolidated basis, during the year under review the Total Income of your Company stood to ₹ 36.94 Lacs as against ₹ 187.50 Lacs in the previous year. The EBIDT is ₹ (403.50) Lacs from ₹ (5437.12) Lacs in the previous year.

Directors' Report (contd.)

Dividend

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

Change in Nature of Business, If Any

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

Material Changes and Commitments after the Balance Sheet Date

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

Subsidiary Companies & Associate Companies

As on 31st March 2017, the Company's subsidiaries, step down subsidiaries, associates and joint venture are as follows:

Its subsidiaries/step-subsidiaries

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

Its associates

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

Its joint venture

1. KIDCO NACC

A Policy has been formulated for determining the Material Subsidiaries of the Company pursuant to the Regulation 16(1)(c) of SEBI(LODR) Regulations, 2015. The said Policy has been posted on the Company's website at the web link: http://www.kaushalya.net/KIDCOMATERIAL.pdf

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

Consolidated financial statements

In accordance with Section 129(3) of the Companies Act, 2013, the Company has prepared Consolidated Financial Statements of the Company and of all its subsidiary and associate companies, which is forming part of the Annual Report. As per the provisions of Section 136 of the Companies

Directors' Report (contd.)

Act, 2013, separate audited financial statements of its subsidiaries are being placed on its website www.kaushalya.net under section "Others" and copy of separate audited financial statements of its subsidiaries will be provided to the shareholders on request.

Listing of equity shares

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

Change in Share Capital

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

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

Transfer to Investor Education and Protection fund

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

Employee Stock Option Scheme

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

Director

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

Mr. Asoke Das (DIN-07691831) was appointed as an Additional Director of the Company in the category of Independent Director by the Board in its meeting held on 30th December, 2016. He shall hold office up to the date of ensuing Annual General Meeting of the Company and will be eligible for reappointment as Independent Director. The Company has received a notice from a member pursuant to Section 160 of the Companies Act, 2013 stating intent to propose him for the office of Independent Director under Section 149 of the Companies Act, 2013.

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

During the year Mr. Parag Keshar Bhattacharjee resigned and ceased to be Independent Director of the Company w.e.f. 30th September, 2016 due to his personal reason.

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

Resolutions seeking approval of the members have been incorporated in the notice of the forthcoming Annual General Meeting. Brief resumes/details relating to Directors who are to be appointed/re-

Directors' Report (contd.)

appointed are furnished in the Explanatory Statement to the Notice of the ensuing Annual General Meeting as required under the Code of Corporate Governance.

The members in the last AGM approved appointment of Mr. Anil Kumar Agarwal (DIN-06844213) as an Independent Director for a term of 5 years.

Key Managerial Personnel

In compliance of the provisions of Section 203 of the Companies Act, 2013 the following persons are the Key Managerial Personnels of the Company:

(a) Mr. Mahesh Mehra, Whole-time Director.

(b) Mr. Tarak Nath Mishra, Chief Financial Officer

(c) Mr. Sanjay Lal Gupta, Company Secretary (Appointed w.e.f 10th May, 2016)

Loan/Advances

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

Directors' Responsibility Statement

The Board of Directors of your Company acknowledges the responsibility for ensuring compliance with the provisions of Section 134(3) (c) of the Companies Act, 2013 read with Section 134(5) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges in the preparation of the annual accounts for the year ended 31st March, 2017 and state that:

I. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures; if any

II. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profits of the Company for that period;

III. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

IV. The Directors have prepared the annual accounts on a *going concern basis*;

V. The Directors have laid down internal financial controls for the Company and such internal financial controls are adequate and operating effectively; and

VI. There is a proper system to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

Directors' Report (contd.)

Particulars of employees

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

Fixed deposits

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

Number of meetings of the Board

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

Audit Committee

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

Whistleblower Policy

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

Risk Management Policy

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

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

Nomination & Remuneration Committee

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

Directors' Report (contd.)

Policy on Directors' Appointment and Remuneration

The Policy of the Company on Directors' Appointment and Remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-Section (3) and (4) of Section 178 of the Companies Act, 2013 is attached as "Annexure-III" to this Report. The remuneration policy is stated in the Corporate Governance Report.

Board Evaluation

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

Inter-corporate loans, guarantees and investments

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

Related party transactions

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

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

Extract of annual return

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

Significant and material orders passed by the regulator/court

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

Internal Financial Control

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

Directors' Report (contd.)

Corporate Governance

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

Management Discussion and Analysis

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

CEO/CFO Certification

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

Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Company has appointed M/s. S. K. Kabra & Associates, Company Secretaries in Practice, to undertake the secretarial audit of the Company for the financial year 2016-17. The Secretarial Audit Report for the financial year ended 31st March, 2017 is attached as "Annexure VI" and forms a part of the report of the Directors. The observation made by the secretarial auditors in their report are self-explanatory and therefore do not call for any further explanations/comments.

Auditors & Auditor's Report

At the Annual General Meeting held in the year 2016, M/s Monu Jain & Company, Chartered Accountants, (ICAI Firm Registration No. 3279004E) Statutory Auditors of the Company were appointed by the shareholders to hold office as Statutory Auditors from the conclusion of Annual General Meeting held in the year 2016 till the conclusion of Twenty Seventh Annual General Meeting of the Company to be held in the year 2019, subject to ratification of their appointment at every Annual General Meeting.

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

Based on the recommendations by the Audit Committee, the Board of Directors of the Company recommends the ratification of appointment of M/s Monu Jain & Company, Chartered Accountants, (ICAI Firm Registration No. 3279004E) as Statutory Auditors of the Company by the shareholders at the ensuing Annual General Meeting.

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

Directors' Report (contd.)

Cost auditors

The cost audit u/s 148 of Companies Act, 2013 read with its rule is not applicable for your Company for the financial year ended 31st March, 2017.

CSR Committee

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

Restructuring of Debts

The company has received a letter from Alchemist Asset Reconstruction Company Limited regarding assignment of financial Assets by Indian Overseas Bank. They have mentioned in their letter that all the financial assets of the Company together with all the rights, interests & Guarantees is hereby assigned to Alchemist-VII Trust (where Alchemist Asset Reconstruction Company Limited is a Trustee) and become the Secured Creditor of the Company as per the SARFAESI Act. Further, they have requested us to make all the correspondence with them in near future for the outstanding loan.

State Bank of India and Indian Overseas Bank had decided to call up the loan earlier classified by them as non-performing. Accordingly they had issued notices under section 13(2) of the SARFAESI act. The company had replied to the same in detail and the matters are currently in litigation. Simultaneously the company is discussing with State Bank of India as well as Alchemist- VII Trust for amicable settlement of dues in an effort to resolve the matter.

Other Information

The Audit Committee of your company has reviewed the audited financial statements for the year under review at its meeting held on May 30, 2017 and recommended the same for the approval of the Board of Directors.

Sexual Harassment Policy

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

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

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

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

Directors' Report (contd.)

Annexures forming a part of this Report of the Directors

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

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

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

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

Appreciation

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

For and on behalf of the Board
Mahesh Mehra
DIN : 00086683
Whole-time Director

Dated: 24th July, 2017
Registered office:
HB-170, Sector-III, Salt Lake,
Kolkata-700106
CIN-L51216WB1992PLC055629

Directors' Report (contd.)

Annexure I to the

Directors' report

FORM- AOC 1

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

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

Part "A": Subsidiaries

(Amt. in ₹)

Sl. No	1	2	3	4
Name of the subsidiary	**Bengal KDC Housing Dev Ltd (BKHDL)**	**Bengal Kaushalya Nirman Ltd (BKNL)**	**Kaushlya Energy Pvt Ltd (KEPL)**	**Azur Solar KDC Pvt Ltd (Subsidiary of KEPL)**
Reporting period	31st March, 2017	31st March, 2017	31st March, 2017	31st March, 2017
Reporting currency and Exchange rate	INR	INR	INR	INR
Share capital	111,732,830	2,000,000	1,000,000	100,000
Reserves & surplus	(1,251,851)	(317,676)	(818,769)	(32,614)
Total assets	110,512,010	1,758,457	253,681	1,586,866
Total Liabilities	110,512,010	1,758,457	253,681	1,586,866
Investments	34,800	-	99,000	-
Turnover	107,139	27,000	19,000	18,000
Profit before taxation	(265,618)	3,777	850	1,447
Provision for taxation	-	830	135	330
Profit after taxation	(265,618)	3,947	715	1,117
Proposed Dividend	NIL	NIL	NIL	NIL
% of shareholding	51%	51%	95.50%	99%(Holding by KEPL)

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

1. Names of subsidiaries which are yet to commence operations:
   a. Azur Solar KDC Private Ltd,
   b. Bengal Kaushalya Nirman Ltd,
   c. Kaushalya Energy Private Ltd
2. Names of subsidiaries which have been liquidated or sold during the year: NONE
3. The Reporting date of all subsidiaries is same as that of the Company, i.e. 31st March 2017.
4. The Company does not have any foreign subsidiary

For and on behalf of Board of Directors

In terms of our report attached.

Mahesh Mehra
Whole-time Director

For Monu Jain & Company
Firm Regn. No. 327900E
Chartered Accountants
Monu Jain
Proprietor
Membership No.302721
Date: May 30, 2017
Place: Kolkata

Tarak Nath Mishra
CFO

Sanjay Lal Gupta
Company Secretary

Directors' Report (contd.)

Part "B": Associates and Joint Ventures

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

(Amt. in ₹)

Name of Associates /Joint Ventures	Orion Abasaan Pvt Ltd (OAPL)	Kaushalya Nirman Pvt Ltd (KNPL)	Kaushalya Township Pvt Ltd (KTPL)	KIDCO NACC
1. Latest audited Balance Sheet Date	31st March, 2017	31st March, 2017	31st March, 2017	31st March, 2017
2. Shares of Associate/Joint Ventures held by the company on the year end				
- No.	29,000	46,000	317,533	NA
- Amount of Investment in Associates/ Joint Venture (Amount in Rs)	1,090,000	1,940,000	15,507,850	(9,338,712)
- Extend of Holding %	48.33%	46.00%	48.72%	90%
3. Description of how there is significant influence	Based on the percentage of holding over these investees			
4. Reason why the associate/joint venture is not consolidated	NA	NA	NA	NA
5. Networth attributable to Shareholding as per latest audited Balance Sheet	55,841,276	26,178,537	115,111,258	NA
6. Profit / Loss for the year				
i. Considered in Consolidation	1,454,996	4,209	2,010	Nil
i. Not Considered in Consolidation	1,555,340	4.942	2,118	Nil

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

   None

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

   None

For and on behalf of Board of Directors

In terms of our report attached.

Mahesh Mehra
Whole-time Director

For Monu Jain & Company
Firm Regn. No. 327900E
Chartered Accountants
Monu Jain
Proprietor
Membership No.302721
Date: May 30, 2017
Place: Kolkata

Tarak Nath Mishra
CFO

Sanjay Lal Gupta
Company Secretary

Annexure to Directors' Report

Annexure II to the
Directors' Report

Details pertaining to remuneration

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

(i) The Percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial year 2016-17, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 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 2016-17 (₹)	% Increase in remuneration in the financial year 2016-17	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	**Mahesh Mehra** *(Whole-time Director)*	1140000	NIL	NA	Not comparable since Company was in Los
2	**Tarak Nath Misha** *(Chief Financial Officer)*	480000	NIL	NA	Not comparable since Company was in Loss
3	**Sanjay Lal Gupta** *(Company Secretary)*	160938	NA	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 during the financial year was not applicable since, most of the employee left the company during the year.

(iii) In the financial year, there was no increase in the median remuneration of employees;

(iv) There were 5 permanent employees on the rolls of the Company as on March 31, 2017;

(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 2016-17 Company was in loss and hence not comparable;

(vii) (a) Variation in market capitalization of the Company: The market capitalization as on March 31, 2017 was ₹ 18.35 crore (₹12.47 crore as on March 31, 2016);

(b) Price Earnings ratio of the Company was (4.58) as at March 31, 2017 and was (12.77) as at March 31, 2016;

(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 (+91)%.

(viii) Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2016-17 was nil whereas the percentile increase in the managerial remuneration for the same financial year was nil. Average percentile increase in the salaries of employees other than managerial personnel was nil since some of the high paid non managerial employees left the company early during the current year.

(ix) Comparison of the each remuneration of the key managerial person against the performance of the company: Not comparable since the company was in loss during the current year.

(x) The key parameter for any variable components of remuneration availed by directors: Not Applicable

(xi) The ratio of the remuneration of the highest paid directors to that of the employees who are not directors but received remuneration in excess of highest paid directors during the year: Not Applicable

(xii) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees

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

Annexure to Directors' Report (contd.)

Annexure III to the

Directors' report

Criteria for selection of Directors and persons in Senior Management

A. Introduction

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

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

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

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

     Candidates for Independent Directors on the Board of the Company should comply with the criteria for Independence as stipulated under the Companies Act, 2013 and the Regulations as amended or re-enacted or notified from time to time. Such candidates should also comply with other applicable regulatory requirements relating to Independence or as may be laid down by the Board from time to time.
   - **Selection and Orientation of New Directors** – The committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as a Director. The person who is proposed to be appointed as a Director, The committee shall identify the Candidates for the Board and recommend them for appointment by Board and subsequently for approval by the shareholders as prescribed under the law. The directors shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013 rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other enactment for the time being in force.

Annexure to Directors' Report (contd.)

- **Assessing Performance of Board and Committees** – The Board of Directors has carried out an annual evaluation of its own performance, its committee and individual directors in pursuant to the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Nomination and Remuneration Committee shall evaluate performance of each director and report annually to the Board on the results of the assessment process. The performance evaluation of Independent directors shall be done by the entire Board of Directors. The Independent directors in their meeting shall review the performance of non-independent directors and the Board as a whole. While assessing the performance, the Board or the Nomination and Remuneration Committee shall take into account attendance of directors in the Board & Committee meetings, performance of the business, accomplishment of long-term strategic objectives & their participation, role & functioning of various committees, compliance and other matter as they may think fit. The purpose of the assessment is to increase the effectiveness of the Board. The performance evaluation of the Independent Directors was carried out by the entire Board and the performance evaluation of the Chairman and Non- independent Directors was carried out by the Independent Directors.

C. Key Managerial Personnel (KMP)

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

D. Review

The Nomination & Remuneration Committee shall periodically (on quarterly basis) review the effectiveness of this policy and recommend any revisions that may be required to this policy to the Board for consideration and approval.

Mahesh Mehra
DIN: 00086683
Whole-time Director

Dated: 24th July, 2017
Registered office:
HB-170, Sector-III
Salt Lake, Kolkata-700106
CIN-L51216WB1992PLC055629

Annexure to Directors' Report (contd.)

Annexure IV to the

Directors' Report

Form No. AOC-2

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

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

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

There were no contracts or arrangements or transactions entered into during the year ended 31st March 2017, which were not at arm's length basis.

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

There were no material contracts or arrangements or transactions entered into during the year ended 31st March 2017, which were at arm's length basis.

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

Mahesh Mehra
DIN: 00086683
Whole-time Director

Dated: 24th July, 2017
Registered office:
HB-170, Sector-III
Salt Lake, Kolkata-700106
CIN-L51216WB1992PLC055629

Annexure to Directors' Report (contd.)

Annexure V to the

Directors' Report

FORM No. MGT 9

Extract of Annual Return

As on the financial year ended on March 31, 2017

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

I. REGISTRATION & OTHER DETAILS

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No	Name & Description of main products/ services	NIC Code of the Product/ Services	% to total turnover of the company
1	Construction	9953	58.86
2	Hotel	9963	41.14

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

Sl. No.	NAME & ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	KAUSHALYA KDC HOUSING DEVELOPMENT LIMITED 171/1A Rash Behari Avenue, Kolkata- 700019	U70100WB2006PLC110153	Subsidiary	51.00	2(87)(II)
2	BENGAL KAUSHALYA NIRMAN LIMITED 69, Girish Park, North, Kolkata- 700006	U70100WB2008PLC123501	Subsidiary	51.00	2(87)(II)
3	KAUSHALYA ENERGY PRIVATE LIMITED 69, Girish Park, North, Kolkata- 700006	U40104WB2008PTC129344	Subsidiary	95.50	2(87)(II)
4	AZUR SOLAR KDC PRIVATE LIMITED 69, Girish Park, North, Kolkata- 700006	U31908WB2010PTC148514	Subsidiary	99.00	2(87)(II)
5	KAUSHALYA NIRMAN PRIVATE LIMITED 69, Girish Park, North, Kolkata- 700006	U70101WB2006PTC111321	Associate	46.00	2(6)

Annexure to Directors' Report (contd.)

Sl. No.	NAME & ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
6	KAUSHALYA TOWNSHIP PRIVATE LIMITED 69, Girish Park, North, Kolkata- 700006	U70109WB2006PTC111320	Associate	48.72	2(6)
7	ORION ABASAAN PRIVATE LIMITED 160, Jamunalal Bajaj Street, Kolkata- 700007	U70101WB2006PTC111322	Associate	48.33	2(6)

IV. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

(i) Category- wise Share Holding

Category of Shareholder	Number of shares held at the beginning of the year				Number of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
(a) Individual/ HUF	3139624	0	3139624	9.0660	3139624	0	3139624	9.0660	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	42.3522	-
(e) Banks/FI	0	0	0	0	0	0	0	0	-
(f) Any Other	0	0	0	0	0	0	0	0	-
Sub Total(A)(1)	**17806474**	**0**	**17806474**	**51.4183**	**17806474**	**0**	**17806474**	**51.4183**	**0.00**
(2) Foreign									
(a) NRIs-Individuals	0	0	0	0	0	0	0	0	-
(b) Other - Individuals	0	0	0	0	0	0	0	0	-
(c) Bodies Corporate	0	0	0	0	0	0	0	0	-
(d) Banks/FI	0	0	0	0	0	0	0	0	-
(e) Any Other	0	0	0	0	0	0	0	0	-
Sub Total(A)(2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**-**
Total Shareholding of Promoter(A)=(A)(1)+(A)(2)	**17806474**	**0**	**17806474**	**51.4183**	**17806474**	**0**	**17806474**	**51.4183**	**0.00**
B. Public shareholding									
1. Institutions									
(a) Mutual Funds	0	0	0	0	0	0	0	0	-
(b) Banks/FI	0	0	0	0	0	0	0	0	-
(c) Central Government	0	0	0	0	0	0	0	0	-
(d) State Government(s)	0	0	0	0	0	0	0	0	-
(e) Venture Capital Funds	0	0	0	0	0	0	0	0	-
(f) Insurance Companies	0	0	0	0	0	0	0	0	-
(g) FIIs	0	0	0	0	0	0	0	0	-
(h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	-
(i) Other (specify)	0	0	0	0	0	0	0	0	-
Sub-Total (B)(1)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**-**

Annexure to Directors' Report (contd.)

Category of Shareholder	Number of shares held at the beginning of the year				Number of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
2. Non-institutions									
(a) Bodies Corporate									
(i) Indian	7017322	0	7017322	20.2633	6909701	0	6909701	19.9526	(0.3108)
(ii) Overseas	0	0	0	0	0	0	0	0	-
(b) Individuals									
(i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	7673948	639	7674587	22.1613	7779499	639	7780138	22.4661	(0.3048)
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	1850959	0	1850959	5.3449	1864823	0	1864823	5.3849	0.0400
(c)Others (specify)									
(c-i) Non-Resident Individuals	153532	0	153532	0.4433	161518	0	161518	0.4664	(0.0231)
(c-ii)Trust	100	0	100	0.0003	0	0	0	0.0000	(0.0003)
(c-iii) Cleari'ng Members	127656	0	127656	0.3686	107976	0	107976	0.3118	(0.0568)
Sub-Total (B)(2)	**16823517**	**639**	**16824156**	**48.5817**	**16823517**	**639**	**16824156**	**48.5817**	**0.0000**
Total Public Shareholding (B) = (B)(1)+(B)(2)	**16823517**	**639**	**16824156**	**48.5817**	**16823517**	**639**	**16824156**	**48.5817**	**0.0000**
C. Shares held by Custodians for GDRs & ADRs	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**-**
GRAND TOTAL (A)+(B)+(C)	**34629991**	**639**	**34630630**	**100.0000**	**34629991**	**639**	**34630630**	**100.0000**	**-**

(ii) Shareholdings of Promoters

Sl. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change during the year
		No. of shares	% of total shares of the company	% of shares pledged encum-bered to total shares	No. of shares	% of total shares of the company	% of shares pledged/ encum-bered to total shares	
1	Mahanti Engineers Pvt. Ltd.	5307600	15.33	3.18	5307600	15.33	3.18	-
2	Keleenworth Marketing Pvt. Ltd.	4336350	12.52	0	4336350	12.52	0	-
3	Sun Kissed Merchandise Pvt. Ltd.	5022900	14.50	0	5022900	14.50	0	-
4	Sidh Nath Mehra	373510	1.08	0	373510	1.08	0	(1.08)
5	Mahesh Mehra HUF	35000	0.10	0	35000	0.10	0	-
6	Ramesh Kumar Mehra HUF	838000	2.42	0	838000	2.42	0	-
7	Purnima Mehra	31320	0.09	0	31320	0.09	0	-
8	Anuradha Mehra	97140	0.28	0	97140	0.28	0	-
9	Neeru Mehra	89100	0.26	0	89100	0.26	0	-
10	Ramesh Kumar Mehra	30010	0.09	0.09	30010	0.09	0.09	-
11	Rahul Mehra	18924	0.05	0	18924	0.05	0	1.08
12	Sidh Nath Mehra HUF	44000	0.13	0	44000	0.13	0	-

Annexure to Directors' Report (contd.)

Sl. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change during the year
		No. of shares	% of total shares of the company	% of shares pledged encum-bered to total shares	No. of shares	% of total shares of the company	% of shares pledged/ encum-bered to total shares	
13	Mohini Mehra	154600	0.45	0	154600	0.45	0	-
14	Karan Mehra	60740	0.18	0	60740	0.18	0	-
15	Prashant Mehra	917760	2.65	0.28	917760	2.65	0.28	-
16	Kartik Mehra	112000	0.32	0	112000	0.32	0	-
17	Pranav Mehra	134410	0.39	0	134410	0.39	0	-
18	Ramesh Kumar Mehra-Karta of Baijnath Mehra (HUF)	72500	0.21	0	72500	0.21	0	-
19	Pooja Mehra	10000	0.03	0	10000	0.03	0	-
20	Mehesh Mehra	48110	0.14	0.14	48110	0.14	0.14	-
21	Raghav Mehra	72500	0.21	0	72500	0.21	0	-
	Total	**17806474**	**51.42**	**3.68**	**17806474**	**51.42**	**3.68**	**-**

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

Sl. No.	Category of Shareholders	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
1.	**Rahul Mehra**				
	At the beginning of the year (01/04/2016)	18924	0.05	18924	0.05
	Increase on 20/05/2016	373510	1.08	392434	1.13
	At the end of the year(31/03/2017)	-	-	392434	1.13
2.	**Sidhnath Mehra**				
	At the beginning of the year (01/04/2016)	373510	1.08	373510	1.08
	Decrease on 13/05/2016	(373510)	(1.08)	-	-
	At the end of the year (31/03/2017)			-	-

(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		umulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
1	**INDIAN INFOTECH AND SOFTWARE LIMITED**				
	At the beginning of the year (01/04/2016)	1500000	4.33	1500000	4.33
	At the end of the year (31/03/2017)	-	-	1500000	4.33

Annexure to Directors' Report (contd.)

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year		umulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
2	**SHIVOM INVESTMENT AND CONSULTANCY LIMITED**				
	At the beginning of the year (01/04/2016)	1500000	4.33	1500000	4.33
	Transfer on 24/03/2017	1500000	4.33	-	-
	At the end of the year (31/03/2017)			-	-
3	**SHIVGAGAN CONSULTANCY PVT. LTD.**				
	At the beginning of the year (01/04/2016)	1018833	2.94	1018833	2.94
	Transfer on 23/09/2016	50000	0.14	968833	2.80
	Transfer on 23/09/2016	968833	2.80	-	-
	At the end of the year(31/03/2017)			-	-
4	**TRIBHUWAN ADVISORY PVT. LTD.**				
	At the beginning of the year (01/04/2016)	900000	2.60	900000	2.60
	Transfer on 30/09/2016	832857	2.40	67143	0.19
	Transfer on 30/09/2016	67143	0.19	-	-
	At the end of the year (31/03/2017)			-	-
5	**TRILOK ADVISORY PVT. LTD.**				
	At the beginning of the year (01/04/2016)	806167	2.33	806167	2.33
	At the end of the year (31/03/2017)	-	-	806167	2.33
6	**INTERNATIONAL FINANCIAL SERVICES LTD.**				
	At the beginning of the year (01/04/2016)	550000	1.59	550000	1.59
	Transfer on 10/06/2016	200000	0.58	750000	2.17
	Transfer on 30/06/2016	100000	0.29	650000	1.88
	Transfer on 15/07/2016	150000	0.43	800000	2.31
	Transfer on 05/08/2016	288490	0.83	1088490	3.14
	Transfer on 19/08/2016	11510	0.03	1100000	3.18
	Transfer on 15/09/2016	200000	0.58	1300000	3.75
	Transfer on 23/09/2016	200000	0.58	1500000	4.33
	Transfer on 07/10/2016	750000	2.17	2250000	6.50
	Transfer on 04/11/2016	150000	0.43	2400000	6.93
	Transfer on 18/11/2016	100000	0.29	2500000	7.22
	At the end of the year (31/03/2017)	-	-	2500000	7.22

Annexure to Directors' Report (contd.)

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year		umulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
7	**KATRODIYA ZAVERBHAI**				
	At the beginning of the year (01/04/2016)	174624	0.50	174624	0.50
	Transfer on 26/08/2016	174624	0.50	-	-
	At the end of the year (31/03/2017)			-	-
8	**DHIREN MAHENDRA SHAH**				
	At the beginning of the year (01/04/2016)	118699	0.34	118699	0.34
	Transfer on 20/05/2016	35000	0.1	83699	0.24
	Transfer on 27/05/2016	8209	0.02	91908	0.27
	Transfer on 03/06/2016	125577	0.36	217485	0.63
	Transfer on 10/06/2016	200000	0.58	17485	0.05
	Transfer on30/06/2016	123258	0.36	140743	0.41
	Transfer on 01/07/2016	89855	0.26	50888	0.15
	Transfer on 08/07/2016	74467	0.22	125355	0.36
	Transfer on 15/07/2016	115872	0.33	9483	0.03
	Transfer on 22/07/2016	15679	0.05	25162	0.07
	Transfer on 29/07/2016	69602	0.20	94764	0.27
	Transfer on 05/08/2016	74290	0.21	20474	0.06
	Transfer on 12/08/2016	20000	0.06	40474	0.12
	Transfer on 19/08/2016	11510	0.03	28964	0.08
	Transfer on 02/09/2016	21156	0.06	50120	0.14
	Transfer on 09/09/2016	270328	0.78	320448	0.93
	Transfer on 15/09/2016	159464	0.46	160984	0.46
	Transfer on 16/09/2016	17047	0.05	178031	0.51
	Transfer on 23/09/2016	145289	0.42	32742	0.09
	Transfer on 30/09/2016	656492	1.90	689234	1.99
	Transfer on 07/10/2016	650425	1.88	38809	0.11
	Transfer on 14/10/2016	64574	0.19	103383	0.3
	Transfer on 21/10/2016	43175	0.12	146558	0.42
	Transfer on 28/10/2016	6395	0.02	152953	0.44
	Transfer on 04/11/2016	102376	0.30	50577	0.15
	Transfer on 11/11/2016	33713	0.10	84290	0.24
	Transfer on 18/11/2016	37400	0.11	46890	0.14
	At the end of the year (31/03/2017)	-	-	46890	0.14

Annexure to Directors' Report (contd.)

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year		umulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
9	**JYOTI PORTFOLIO LIMITED**				
	At the beginning of the year (01/04/2016)	117582	0.34	117582	0.34
	Transfer on 20/05/2016	354	0	117228	0.34
	Transfer on 30/06/2016	1355	0	115873	0.33
	Transfer on 15/07/2016	100	0	115973	0.33
	Transfer on 29/07/2016	15100	0.04	100873	0.29
	Transfer on 05/08/2016	39000	0.11	61873	0.18
	Transfer on 30/09/2016	39320	0.11	101193	0.29
	Transfer on 04/11/2016	4314	0.01	105507	0.30
	Transfer on 11/11/2016	1348	0	106855	0.31
	Transfer on 02/12/2016	442	0	107297	0.31
	Transfer on 16/12/2016	18954	0.05	126251	0.36
	Transfer on 23/12/2016	61	0	126190	0.36
	Transfer on 30/12/2016	6104	0.02	132294	0.38
	Transfer on 06/01/2017	8042	0.02	140336	0.41
	Transfer on 17/02/2017	8461	0.02	131875	0.38
	Transfer on 24/02/2017	2134	0.01	134009	0.39
	Transfer on 17/03/2017	37518	0.11	171527	0.50
	Transfer on 24/03/2017	2970	0.01	174497	0.50
	Transfer on 31/03/2017	173731	0.50	766	0
	At the end of the year (31/03/2017)	-	-	766	0
10	**DAKSHA VISHANJI KOTAK**				
	At the beginning of the year (01/04/2016)	104646	0.30	104646	0.30
	At the end of the year (31/03/2017)	-	-	104646	0.30
11	**SHIVOM INVESTMENT AND CONSULTANCY LIMITED**				
	At the beginning of the year (01/04/2016)	0	0.00	0	0.00
	Transfer on 31/03/2017	1500000	4.33	1500000	4.33
	At the end of the year (31/03/2017)	-	-	1500000	4.33
12	**BOMMINENI MURALI**				
	At the beginning of the year (01/04/2015)	0	0.00	-	-
	Transfer on 31/03/2017	100000	0.29	100000	0.29
	At the end of the year (31/03/2017)	-	-	100000	0.29

Annexure to Directors' Report (contd.)

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year		umulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
13	**KALYAN KUMAR**				
	At the beginning of the year (01/04/2016)	52000	0.15	52000	0.15
	Transfer on 06/05/2016	8000	0.02	60000	0.17
	Transfer on 30/09/2016	26500	0.08	86500	0.25
	Transfer on 07/10/2016	13500	0.04	100000	0.29
	At the end of the year (31/03/2017)	-	-	100000	0.29
14	**AJMERA ASSOCIATES LTD.**				
	At the beginning of the year (01/04/2016)	78248	0.23	78248	0.23
	At the end of the year (31/03/2017)	-	-	78248	0.23
15	**AMIT SABOO**				
	At the beginning of the year (01/04/2016)	65000	0.19	65000	0.19
	At the end of the year (31/03/2017)	-	-	65000	0.19
16	**EDELWEISS BROKING LTD.**				
	At the beginning of the year (01/04/2016)	5597	0.02	5597	0.02
	Transfer on 03/06/2016	50	0	5647	0.02
	Transfer on 10/06/2016	50	0	5597	0.02
	Transfer on 08/07/2016	150	0	5747	0.02
	Transfer on 15/09/2016	150	0	5597	0.02
	Transfer on 30/09/2016	25000	0.07	30597	0.09
	Transfer on 07/10/2016	5000	0.01	35597	0.1
	Transfer on 28/10/2016	45000	0.13	80597	0.23
	Transfer on 02/12/2016	54	0	80651	0.23
	Transfer on 16/12/2016	25000	0.07	55651	0.16
	Transfer on 23/12/2016	54	0	55597	0.16
	Transfer on 17/02/2017	1536	0	57133	0.16
	Transfer on 24/02/2017	2116	0.01	59249	0.17
	Transfer on 31/03/2017	2000	0.01	61249	0.18
	At the end of the year (31/03/2017)			61249	0.18

Annexure to Directors' Report (contd.)

(v) Shareholding of Directors & Key Managerial Personnel

Sl. No	Name of Director and KMP	Shareholding at the end of the year		Cumulative Shareholding during the year	
1	**Mr. Mahesh Mehra -Whole-time Director**	**No. of shares**	**% of total shares of the company**	**No of shares**	**% of total shares of the company**
	At the beginning of the year	48110	0.14	48110	0.14
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	No change during the year			
	At the end of the year	48110	0.14	48110	0.14
2	**Mrs. Minoti Nath -Independent Director**	**No. of shares**	**% of total shares of the company**	**No of shares**	**% of total shares of the company**
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc)	No change during the year			
	At the end of the year	0	0	0	0
3	**Mr. Anil Kumar Agarwal -Independent Director (Appointed as on 04.05.2016)**	**No. of shares**	**% of total shares of the company**	**No of shares**	**% of total shares of the company**
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	No change during the year			
	At the end of the year	0	0	0	0
4	**Mr. Tarak Nath Mishra -Chief Financial Officer**	**No. of shares**	**% of total shares of the company**	**No of shares**	**% of total shares of the company**
	At the beginning of the year	1500	0	1500	0
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	No change during the year			
	At the end of the year	1500	0	1500	0
5	**Mr. Sanjay Lal Gupta -Company Secretary (Appointed as on 10.05.2016)**	**No. of shares**	**% of total shares of the company**	**No of shares**	**% of total shares of the company**
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	No change during the year			
	At the end of the year	0	0	0	0

Annexure to Directors' Report (contd.)

Sl. No	Name of Director and KMP	Shareholding at the end of the year		Cumulative Shareholding during the year	
6	Mr. Ashoke Das -Independent Director (Appointed as on 30.12.2016)	No. of shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Promoters Share-holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc)	No change during the year			
	At the end of the year	0	0	0	0

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
Particulars	**Secured Loans excluding deposits**	**Unsecured Loans**	**Deposits**	**Total Indebtedness**
Indebtedness at the beginning of the financial year				
i) Principal Amount	591,084,075	5,000,000	-	596,084,075
ii) Interest due but not paid	16,808,323	509,258	-	17,317,581
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**607,895,698**	**5,509,258**	**-**	**613,401,656**
Change in Indebtedness during the financial year				
Additions	8,462,219	2,506,438	-	10,968,657
Reduction	-	-	-	-
Net Change	**8,462,219**	**2,506,438**	**-**	**10,968,657**
Indebtedness at the end of the financial year				
i) Principal Amount	591,084,075	7,506,438	-	598,590,513
ii) Interest due but not paid	25,270,542	1,145,915	-	26,416,457
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**616,354,617**	**8,652,353**	**-**	**625,006,970**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

Annexure to Directors' Report (contd.)

B. Remuneration to other directors:

Sl. No	Particulars of Remuneration	Name of Independent Directors				Total Amount
		Mrs. Minoti Nath	Mr. Parag Keshar Bhattacharjee (Resigned w.e.f 30.09.2016)	Mr. Anil Kumar Agarwal (Appointed w.e.f 04.05.2016)	Mr. Asoke Das (Appointed w.e.f 30.12.2016)	
(a)	Fee for attending board/committee meetings	52,500	30,500	38,500	13,500	1,35,000
(b)	Commission	--	--	--	--	--
(c)	Others, please specify	--	--	--	--	--
Total (B)		**52,500**	**30,500**	**38,500**	**13,500**	**1,35,000**
Total Managerial Remuneration (A+B)						**1,275,000**
Ceiling as per the Act: - Rs 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
1	Gross Salary	Company Secretary	CFO	
		Mr. Sanjay Lal Gupta (Appointed w.e.f 10.05.2016)	Mr. Tarak Nath Mishra	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	1,60,938	4,80,000	640,938
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	--	--	--
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	--	--	--
2	Stock Option	--	--	--
3	Sweat Equity	--	--	--
4	Commission	--	--	--
	as % of profit	--	--	--
	others, specify	--	--	--
5	Others, please specify	--	--	--
Total		**1,60,938**	**4,80,000**	**640,938**

Annexure to Directors' Report (contd.)

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

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

Mahesh Mehra
DIN: 00086683
Whole-time Director

Dated: 24th July, 2017
Registered office:
HB-170, Sector-III
Salt Lake-Kolkata-700106
CIN-L51216WB1992PLC055629

Annexure to Directors' Report (contd.)

Annexure VI to the

Directors' report

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
(For the period FY 2016-17)
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s KAUSHALYA INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED (CIN:L51216WB1992PLC055629).** Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon. Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period ended on **31st March, 2017**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. **We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s KAUSHALYA INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED ("The Company") for the period ended on 31st MARCH, 2017 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 there under;

   III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

   IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

   V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 **('SEBI Act')** wherever applicable & to the extent applicable to the Company:-

      a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

Annexure to Directors' Report (contd.)

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (Upto 14th May, 2015) and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (Effective 15th May, 2015);

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

e. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

VI. We have relied on the representation made by the Company & its' Officers for system & mechanism formed by the Company for the compliances under Income Tax Act, 1961.

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

i. Secretarial Standards as issued by The Institute of Company Secretaries of India.

ii. The Listing Agreements entered into by the Company with the Bombay Stock Exchange Limited and National Stock Exchange Limited and **SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015** made effective **1st December 2015**.

iii. Other Laws as may be specifically applicable to the Company.

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

- The requisite Form ADT-1 has been filed with late fee on 06/10/2016 by the Company with the Registrar of Companies as to appointment of Statutory Auditor on 08/08/2016 for the Financial Year 2016-17.
- The requisite Form DIR12 has been filed with late fee on 25/11/2016 by the Company with the Registrar of Companies as to resignation of independent director on 30/09/2016.
- The requisite Form MGT14, DIR-12& MR-1 has been filed on 11/05/2016 by the Company with the Registrar of Companies in respect of the particulars of appointment of Key Managerial Personnel on 10/05/2016.
- The requisite Form DIR-12 has been filed on 05/05/2016 by the Company with the Registrar of Companies in respect of the particulars of appointment of Independent Director on 04/05/2016.

Annexure to Directors' Report (contd.)

- The requisite Form MGT-14 has been filed with late fee on 06/10/2016 by the Company with the Registrar of Companies as to approval u/s 180(1)(a) on 08/08/2016.
- The requisite Form MGT7, MGT15 & AOC4 (XBRL) has been filed on 01/11/2016, 18/10/2016 and 04/01/2017 respectively by the Company with the Registrar of Companies in respect of the filing of annual return, report on AGM & balance sheet for the FY 2015-16.
- The requisite Form MGT10 has been filed by the Company with the Registrar of Companies in respect of the particulars of changes in shareholding position of promoters and top ten shareholders on various occasions and with late fine on one occasion on 14/07/2016 for the document date 15/05/2016.
- The requisite Form MGT-14 has been filed on 17/02/2017 by the Company with the Registrar of Companies as to appointment of Secretarial Auditor on 14/02/2017 for the Financial Year 2016-17.
- The Company has duly provided the e-voting facility in the Annual General Meeting held on 22nd September, 2016 as specified under Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) in consistency with Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014

3. We further report that the Company has, in our opinion, complied with the provisions of the Companies Act, 1956 and the Rules made under that Act and the provisions of Companies Act, 2013 as notified by Ministry of Corporate Affairs and the Memorandum and Articles of Association of the Company, with regard to:

a) maintenance of various statutory registers and documents and making necessary entries therein;

b) closure of the Register of Members.

c) forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;

d) service of documents by the Company on its Members, Auditors and the Registrar of Companies;

e) notice of Board meetings and Committee meetings of Directors;

f) the meetings of Directors and Committees of Directors including passing of resolutions by circulation;

g) the 24th Annual General Meeting held on 22nd September 2016;

h) minutes of proceedings of General Meetings and of the Board and its Committee meetings;

i) approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;

j) constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and reappointment of Directors and Whole-time Directors;

k) payment of remuneration to Directors including and Whole-time Directors,

Annexure to Directors' Report (contd.)

l) appointment and remuneration of Auditors;

m) borrowings and registration, modification and satisfaction of charges wherever applicable;

n) investment of the Company's funds including investments and loans to others;

o) form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule VI to the Act;

p) Directors' report;

q) contracts, common seal, registered office and publication of name of the Company; and

r) Generally, all other applicable provisions of the Act and the Rules made under the Act.

4. We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
- The Company has obtained all necessary approvals under the various provisions of the Act; and
- There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Companies Act, 2013, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.
- The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;

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

Date: 30th May, 2017
Place: Kolkata

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

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

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

Date: 30th May, 2017
Place: Kolkata

Management Discussion and Analysis Report

Introduction

Infrastructure development plays a pivotal role in the economic development of India and the Government has geared its policies keeping the infrastructure sector as a core focal point to ensure the creation of world class infrastructure. Ministry of Road Transport and Highways, and Shipping has announced that the government of India has targeted over Rs.25 lac crore investment in infrastructure over a period of three years, which will include development of 27 industrial clusters and an additional Rs.5 lakh crore for road, railway and port connectivity projects.

Market Opportunities

India is one of the fastest growing economies with its GDP growing about 7.1% in 2017. Consensus economic outlook for 2018 estimates a similar healthy growth figure. With inflationary pressures under control and fiscal deficit reigned in, India is on a healthy path of development and sustained economic growth. Government Spending plays a key role in sustaining economic growth, primarily in the infrastructure sector. It is estimated that India needs approximately Rs.31 trillion to be spent on infrastructure development over the next five years with primary emphasis on power, roads and urban infrastructure segments which comprise about 70% of such estimated investment.

Leading indicators for growth in Infrastructure like growth in the Construction Equipment industry which is reviving after a gap of four years and is now expected to grow to Rs.33,500 Crores by FY2019-20 from current size of Rs.18,760 Crore are harbingers of good news. Healthy growth is also seen in Foreign Direct Investments received in the Construction and Real Estate Sector including townships, housing, built up infrastructure and construction development projects.

Government Thrust and Initiatives

The Road Transport & Highways Ministry continues to expand its investment in developing core infrastructure of the country as it lies at the foundation of the country's growth. The Ministry's effort has catapulted the country's road and highway development efforts and a total of 6,604 km out of the 15,000 km of target set for national highways in 2016-17 had been constructed by the end of February 2017, according to the Minister of State for Road, Transport & Highways, Government of India. To further boost investment in the sector and solicit private participation in investment, the RBI has also notified 100% Foreign Direct Investment under automatic route for the Construction Development Sector.

Development of Smart cities as an initiative undertaken by the Government of India has provided new infrastructure development opportunities and possibilities of intertwining technological innovations and information systems with core Infrastructure development on a large scale.

In a bid to boost rural and urban housing, the Prime Minister announced interest subsidy and subvention on loans taken in the New Year under the Pradhan Mantri Awaas Yojana. Affordable housing projects targeted at the sweet spot of housing demand are being incentivised systematically by the Government and the measures thus formulated are expected to add 33% additional homes for the poor under the scheme.

Management Discussion and Analysis *(contd.)*

SWOT Analysis

Strengths

Your company over the years has undertaken development of various diverse construction projects like development of roads and minor bridges, Power Sector projects, construction of buildings and real estate, design and construction of turnkey industrial infrastructure projects, etc. Project management strength, efficient cost control mechanisms as well as sustained relations with suppliers and clients serve as a core strength of your organization.

Weaknesses

A large part of the liquidity of your company has been locked up in project disputes which has served as a key weakness. The Bankers of the company have also initiated recovery procedures and arrangement of finance is currently very challenging. Without adequate financial resources, your management feels that it is not prudent to take on additional projects and hence your company has reduced operations until its liquidity scenario improves. To this effect, your company has won awards in arbitration which are currently in appeal by clients. Once the same are released, the liquidity scenario is expected to improve. Additionally, the management of your company is negotiating with the Bankers to amicably resolve the matters pending in the Debt Recoveries Tribunal and is hopeful of a workable solution. Due to the shortage in cash flows, your company has also considerably reduced its manpower strength which would be augmented once resolution is close at hand. The fleet of equipment and machines are also largely tied up and blocked in pending litigation and once the same are resolved, your company's management feels that, given certain investment in their refurbishing, the same can be brought back in use in relatively short time span.

Opportunities

The infrastructure sector presents immense growth opportunities and your company's management is very hopeful that by capitalizing on its strength and overcoming the key weakness currently troubling the organization, new projects can be undertaken by approaching existing and old clients. The affordable housing sector presents a good opportunity to grow business and for quick revival and rebound. With improving liquidity, such projects can be targeted under joint development with landowners to leverage project management skills and develop such projects with relatively lower levels of investment.

Threats

Your company faces broadly two categories of threats. The first relates to threats that are systematic in nature and applicable to the Construction Development Sector in general as well as country as a whole. Increasing prices, sudden changes in Government policies and roll back of existing incentives, economic slowdown and weakness among others form part of such threats. The second category of threats relate to company specific threats. Overturning of existing litigation decisions by Courts, rejection of claims and establishment of counter claims on your company in pending litigations,

Management Discussion and Analysis *(contd.)*

non-release of liquidity and non-settlement with bankers pose an entity level threat. The impact of Sector specific threats on your company would be somewhat muted in magnitude due the reduced level of operations and projects being undertaken. However, the Company specific threats are of higher concern and your company's management has kept keen focus on the slightest developments in relation to the same. Highly skilled and knowledgeable legal professionals are engaged to take care of pending litigation and your management is in constant dialogue with the Bankers and is putting all out efforts to settle with them as well as to generate cash flows simultaneously.

Discussion on Financial Performance

Revenue

For the financial year ended 31st March, 2017, your Company's Income from operations stood at ₹12.71 Lacs as against ₹ 63.53 Lacs in the previous year. Low levels of income from operations is a result of liquidity concerns due to non-availability of funds as accounts with bankers were classified as nonperforming in earlier years. Keeping the liquidity condition in mind and pending resolution of arbitrations underway as well as resolution with Bankers, your company's management did not think it prudent to take on new projects lest the same would be stifled due to cash flow shortages.

Expenditure

Our company's total expenditure comprising of contract & site expenses, employee benefit cost, depreciation, material consumed including other expenses was ₹ 525.91 Lacs for year ended 31st March, 2017 as comparing to ₹ 5,654.74 Lacs in the previous year. The lower level of Expenditure was a result of management's efforts to keep overheads low and at a bare minimum coupled with a much higher provision for doubtful debts relating to long outstanding debtors and litigated debtors in the previous year.

Interest

Interest expenses stood at ₹ (40.08) Lacs and previous year figure was ₹ (3.43) Lacs. The negative interest expense relates to reversal of interest charges by bankers in the bank statements in line with RBI guidelines with respect to the accounts being classified as nonperforming by the Bankers.

Profit before Tax (PBT)

PBT was ₹ (406.60) Lacs for the current year from ₹ (5,480.27) Lacs in the previous year.

Profit after tax (PAT)

Your company's profit after tax was ₹ (400.79) Lacs for the year ended March 31, 2017 from ₹(5,475.45) Lacs as compared to the previous year.

EPS

The earnings per share for the current year stood at ₹ (1.16) as compared to ₹ (15.81) per equity share in the previous year.

Management Discussion and Analysis *(contd.)*

Consolidated Financials

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

Human Resources

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

Cautionary Statement

Your Company has an adequate system of internal control to ensure that resources of the Company are used to efficiently and effectively, all assets are safeguarded and protected against loss from unauthorized use or disposition and the transaction are authorized, recorded and reported correctly. The internal control is supplemented by extensive programmes of Internal Audit. The Company strives to create a competitive and level environment for its employees. The Company provides fair compensation in line with industry norms and career paths for employees to strive to. The Company also imparts necessary training and education on its employees. The Audit Committee of the Company periodically reviews and monitors the Internal Control System.

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

Report on Corporate Governance

1. COMPANY'S CORPORATE GOVERNANCE PHILOSOPHY

Corporate governance is creation and enhancing long-term sustainable value for the stakeholders through ethically driven business process. At Kaushalya Infrastructure Development Corporation Limited, it is imperative that our Company affairs are managed in a fair and transparent manner. We, at Kaushalya Infrastructure Development Corporation Limited, ensure that we evolve and follow the corporate governance guidelines and best practices. We consider it our inherent responsibility to disclose timely and accurate information regarding our financials and performance as well as the leadership and governance of the Company. The Company expects to realise its Vision by taking such actions as may be necessary in order to achieve its goals of value creation, safety, environment and people.

2. CORPORATE GOVERNANCE GUIDELINES

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

3. BOARD OF DIRECTORS

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

We believe that our Board needs to have an appropriate mix of executive and independent directors to maintain its independence, and separate its functions of governance and management. As on March 31, 2017, our Board consists of 4 directors, one of whom is executive/ whole-time director, while the remaining 3 are independent directors, constituting 75% of the Board's strength – more than the requirements of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. One out of 4 directors or 25% of the Board is woman. All Four of our Board members (100%) are Indians. The Board periodically evaluates the need for change in its composition and size

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

Report on Corporate Governance *(contd.)*

The composition of the Board as on 31st March, 2017 was as under:

Name of Directors	Business relationship	DIN	Category of Directors hip	No. of Directorships in other public limited companies#	No. of Committee positions held in other Public Companies as ##	
					Chairman	Member
Mr. Mahesh Mehra	Whole-time Director	00086683	Promoter Non-Independent Executive	0	–	–
**Mr. Parag Keshar Bhattacharjee	Director	00081899	Independent Non- Executive	NA	NA	NA
Mrs. Minoti Nath	Director	07017530	Independent Non-Executive	1	–	1
@Mr. Anil Kumar Agarwal	Director	06844213	Independent Non- Executive	2	–	–
^Mr. Asoke Das	Director	07691831	Independent Non- Executive	1	1	–

NOTES:

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

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

In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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.

** During the year Mr. Parag Keshar Bhattacharjee resigned and ceased to be Independent Director of the Company w.e.f. 30th September, 2016 due to personal reason.

@ Mr. Anil Kumar Agarwal was appointed as an Independent Director of the Company for a term of five years by its member at the 25th Annual General Meeting held on 22nd September, 2016.

^ Mr. Asoke Das was appointed as an Additional Director of the Company in the category of Independent Director by the Board in its meeting held on 30th December, 2016.

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

The Company has conducted familiarisation programme for the Independent Directors of the Company. The details of familiarisation programme are disclosed in the website of the Company at web-link- http://www.kaushalya.net/INDEPENDENTDIRECTORS.pdf.

The Director is also explained in detail the compliances required from him under the Companies Act and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements), Regulation, 2015 and other relevant Regulations. The Board has devised proper system to ensure compliance with the

Report on Corporate Governance *(contd.)*

provisions of applicable laws and periodically reviews compliance reports of all laws applicable to the Company and necessary steps are being taken to ensure the compliance in law and spirit.

During the year 2016-17, 7(Seven) Board Meetings were held. The Company held at least one meeting in every quarter and the time gap between two board meetings did not exceed 120 days as prescribed under Regulation 17(2) of SEBI (Listing Obligations and Disclosure Requirements), Regulation, 2015 and Companies Act, 2013.

The previous Annual General Meeting was held on September 22, 2016

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 22.09.2016
	04.05.2016	10.05.2016	23.05.2016	08.08.2016	14.11.2016	30.12.2016	14.02.2017	
Mr. Mahesh Mehra	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Parag Keshar Bhattacharjee@	Yes	Yes	Yes	Yes	NA	NA	NA	No
Mrs. Minoti Nath	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Anil Kumar Agarwal**	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Mr. Asoke Das#	NA	NA	NA	NA	NA	Yes	Yes	NA

NOTES:

@ resigned from directorship w.e.f. 30th September, 2016.

** appointed as an Independent Director of the Company for a term of five years by its member at the 24th Annual General Meeting held on 22nd September, 2016.

appointed as an Additional Director of the Company in the category of Independent Director w.e.f 30th December, 2016.

4. BOARD COMMITTEES

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

i) Audit Committee

ii) Nomination & Remuneration Committee

iii) Stakeholders Relationship Committee

iv) Executive Committee

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

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.

Report on Corporate Governance *(contd.)*

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

In this context, the committee discussed the overall scope and plans for the independent audit with the Company's auditors. The Management shared the Company's financial statements prepared in accordance with the Indian GAAP. 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 reasonableness 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 Indian GAAP.

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

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

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

- The Audited Financial Statements prepared in accordance with Indian GAAP of Kaushalya Infrastructure Development Corporation Limited for the year ended March 31, 2017, be accepted by the Board as a true and fair statement of the financial status of the Company.
- The Audited Consolidated Financial Statements prepared in accordance with Indian GAAP of Kaushalya Infrastructure Development Corporation Limited and its subsidiaries for the year ended March 31, 2017, be accepted by the Board as a true and fair statement of the financial status of the Group.
- The Audited Consolidated Financial Statements prepared in Indian rupee for Kaushalya Infrastructure Development Corporation Limited and its subsidiaries for the year ended March 31, 2017, be accepted by the Board as a true and fair statement of the financial status of the Group.

Report on Corporate Governance *(contd.)*

- The ratification of the appointment of M/s Monu Jain & Company, Chartered Accountants, (Firm Registration No. 327900E) as the statutory auditors of the Company, to audit standalone (Indian GAAP) financial statements and consolidated (Indian GAAP and) financial statements to hold office until the conclusion of the 27th AGM of the Company.
- The appointment of M/s S. K. Kabra & Associates, Practicing Company Secretaries, as secretarial auditor for the year ending March 31, 2017 to conduct the secretarial audit as prescribed under Section 204 and other applicable sections of the Companies Act, 2013.

The Company has established a mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of our Code of Conduct and Ethics. It also provides for adequate safeguards against the victimization of employees who avail of the mechanism, and allows direct access to the chairperson of the audit committee in exceptional cases. We further affirm that no director or employee has been denied access to the audit committee during the financial year 2017. The Whistleblower Policy is available on company's website at the web link- http://www.kaushalya.net/KDCVIGIL.pdf.

Composition, Meeting and Attendance

The Audit Committee of the Company comprises of three directors – two of whom are Independent, Non-Executive and one is Promoter, Executive. All of them are experts in corporate finance, accounts and corporate law. The Chairman of the Committee is an Independent Non-Executive Director, nominated by the Board. The Company Secretary acts as the secretary to the Committee. The Chief Financial Officer, the Statutory Auditor, and the Internal Auditor of the Company are invitees at the meetings of the Committee. The internal auditor directly report to the audit committee. The composition of the Audit Committee meets the requirement of the Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements), Regulation, 2015 and the provisions of the Companies Act, 2013. During the year ended 31st March, 2017, 4(Four) Audit Committee meetings were held on May 23, 2016, August 8, 2016, November 14, 2016, and February 14, 2017. The composition and attendance of the members of the Audit Committee are as follows:

Name of the Member	Position	No. of Meetings	
		Held	Attended
Mr. Mahesh Mehra	Member, Promoter, Executive	4	4
Mr. Minoti Nath*	Chairman, Independent, Non-Executive	4	4
Mr. Asoke Das#	Member, Independent, Non-Executive	4	1
Mr. Parag Keshar Bhattacharjee@	Chairman Independent, Non-Executive	4	2

NOTES:

* appointed as Chairman of the Audit Committee w.e.f 14th November, 2016.

#appointed as member of Audit Committee w.e.f 30th December, 2016.

@ resigned from directorship w.e.f. 30th September, 2016.

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

Report on Corporate Governance *(contd.)*

ii. Nomination and Remuneration Committee

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

As on 31st March, 2017, the Nomination and Remuneration Committee comprises with three directors, all of whom are Non-Executive Directors and are Independent Directors. The members of the committee are Mrs. Minoti Nath, Mr. Anil Kumar Agarwal and Mr. Asoke Das. Previously the members of the committee were Mr. Parag Keshar Bhattacherjee, Mrs. Minoti Nath and Mr. Anil Kumar Agarwal, but Mr. Parag Keshar Bhattacherjee, Chairman of the Nomination and Remuneration Committee has resigned from the Company w.e.f 30th September, 2016 and Mr. Asoke Das was appointed as an Additional Independent Director and Member of the Nomination and Remuneration Committee w.e.f 30th December, 2016.

During the year ended 31st March, 2017, one meeting of the Nomination and Remuneration Committee were held on 10th May, 2016. The composition of Nomination and Remuneration Committee are as follows:

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

@ appointed as Chairman of Nomination and Remuneration Committee w.e.f 14th November, 2016

** appointed as member of Nomination and Remuneration Committee w.e.f 30th December, 2016.

^ appointed as member of Nomination and Remuneration Committee w.e.f 4th May, 2016.

resigned from directorship w.e.f. 30th September, 2016.

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

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

- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

Report on Corporate Governance *(contd.)*

- Formulation of criteria for evaluation of Independent Directors and the Board.
- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.
- Devising a policy on Board diversity.
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of Independent Directors

General:

a) The Committee shall ensure that the level and composition of remuneration is reasonable and sufficient to attract retain and motivate Directors of the quality required to run the Company

b) Moreover it shall also ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

c) Remuneration for Directors, Key Managerial Personnel and Senior Management should involve a balance between fixed and variable pay reflecting short and long term performance objectives appropriate to the working of the Company and its goal.

d) The remuneration payable to the Directors of a Company including Managing Director/ Whole-time Director shall be recommended by the Committee to the Board for approval of Such remuneration payment 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 Directors:

The remuneration for 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 1 lac (One Lac) per meeting of the of the Board or committee meeting of the Board or the Committee or such amount as may be prescribed by the Central Government from time to time.

Report on Corporate Governance *(contd.)*

c) Remuneration:

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

Remuneration to KMP and Senior Management employees:

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

Review – The Nominating & Remuneration Committee shall review the Remuneration Policy and shall recommend to the Board amendments to these guidelines as it deems appropriate. The Non-executive Directors are remunerated by way of sitting fees of ₹ 5000/- for attending each Board of Directors meeting and ₹ 3500/- for attending each committee meeting. The Company pays remuneration by way of salary to its 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 2016-17 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, 2017
			Board Meeting	Committee Meeting/ Separate Meeting of Independent Directors	
1	Mrs. Minoti Nath	Non-Executive Independent	35,000/-	17,500/-	NIL
2	Mr. Anil Kumar Agarwal**	Non-Executive Independent	35,000/-	3,500/-	NIL
3	Mr. Asoke Das@	Non-Executive Non-Independent	10,000/-	3500/-	NIL
4	Mr. Parag Keshar Bhattacharjee#	Non-Executive Independent	20000/-	10,500/-	NIL

Notes:

** appointed as an Independent Director of the Company for a term of five years by its member at the 24th Annual General Meeting held on 22nd September, 2016.

@ appointed as an Additional Director of the Company in the category of Independent Director w.e.f 30th December, 2016.

resigned from directorship w.e.f. 30th September, 2016.

Report on Corporate Governance *(contd.)*

Remuneration/Sitting Fees paid to Executive and Non-Executive Directors of the Company during the Financial Year ended March 31, 2017 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 31.03.2017
					From	To		
Mr. Mahesh Mehra	11,40,000/-	--	--	11,40,000/-	04.09.2012	03.09.2017	2 Months	48110

iii. Stakeholders Relationship Committee

The Stakeholders Relationship Committee considers and resolves the grievances of security holders of the Company. The Stakeholders Relationship Committee shall also oversee the redressal of shareholders' and investors' grievances in relation to the transfer of shares, non-receipt of annual report, non-receipt of declared dividend, all such complaints directly concerning the shareholders/investors as stakeholders of the Company, any such matters that may be considered necessary in relation to shareholders and investors of the Company and to appoint compliance officer for redressal of investor grievances and fix his responsibilities. During the year ended 31st March, 2017, no Stakeholders Relationship Committee meetings were held. The composition and attendance of the members of the Stakeholders Relationship Committee are as follows:

The Stakeholders Relationship Committee consists of the following Members:

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

Notes:

** appointed as Chairman of Stakeholders Relationship Committee w.e.f 14th November, 2016

* appointed as member of Stakeholder Relationship Committee w.e.f 30th December, 2016.

@ resigned from directorship w.e.f 30th September, 2016.

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

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

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

The Committee has delegated the authority to approve the requests for transfers/transmission, split and 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.

Report on Corporate Governance *(contd.)*

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

The details of the complaints during the year 2016-2017, excluding correspondences which are not in the nature of complaints are given below:

Number of complaints received from the shareholders	**8**
Number of complaints redressed	**8**
Number of complaints not solved/pending	**Nil**

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

SEBI Complaints Redress System (SCORES)

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

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

iv. Executive Committee

As on 31st March, 2017 the Executive Committee is not applicable to the Company as the Company is having only one Executive Director i.e. Mr. Mahesh Mehra, Whole-time Director.

5. PERFORMANCE EVALUATION

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

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

The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Nomination & Remuneration Committee also carried out

Report on Corporate Governance *(contd.)*

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, 2017, the Independent Directors met on 23rd March, 2017, inter alia,

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

ii. to review performance of the Chairman of the Company and

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

7. GENERAL BODY MEETING

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

Financial Year	Date	Time	Venue	Special Resolution Passed, if any
2015- 2016	22nd September, 2016	11.00 A.M	"Nandita Marriage House", Shankar Abasan, Helabattala, Baguiati, Kolkata-700 059	YES***
2014-2015	29th September, 2015	11.00A.M	Agora, 5th Floor Axis Mall, Unit-A(Block-B) Plot No. CF9, Major Arterial Rd, Action Area 1C, Newtown, Kolkata-700156	YES**
2013-2014	30th September, 2014	11.00 A.M	Aikatan, EZCC, IA-290, Sector-III, Saltlake, Kolkata-700097	YES*

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 11th September, 2017

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

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

b. Disposal of undertaking under section 180(1)(a) of the Companies Act, 2013

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

a. To consider and accord new Article of Association.

b. To mortgage undertaking of Company under section 180(1)(a) of Companies Act, 2013.

Report on Corporate Governance *(contd.)*

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

a. Re-appointment of Mr. Prashant Mehra as Managing Director.

b. To borrow money in excess of Paid up Share Capital and Free Reserve

c. Approval of related party transaction u/s 188 of the Companies Act, 2013.

Extraordinary General Meeting: During the Financial Year 2016- 2017 no Extraordinary General Meeting of the members of the company was held.

Postal Ballot: During the Financial Year 2016- 2017 no matter was transacted by way of Postal Ballot.

8. DISCLOSURES

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

Your Company does not have any related party transactions, which may have potential conflict with the interests of the Company at large. However, disclosure of transactions with related parties is set out in the Notes to Accounts, forming part of the Annual Report. The Company has disclosed the policy on dealing with the related party transactions on its website at web-link- http://www.kaushalya.net/KIDCORELATED.pdf.

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

ii. Your Company has followed the prescribed guidelines of Accounting Standards in preparation of its financial statements.

iii. Your Company laid down Risk Assessment and Minimization procedures and the same is periodically reviewed by the Board. Further, the Company has adequate internal control systems to identify the risk at appropriate time and to ensure that the executive management controls the risk through properly defined framework.

iv. The Company has complied with the requirements of regulatory authorities on capital markets and no penalties/ strictures were imposed against it during the last three years.

v. Your Company has complied with all the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The company has submitted the quarterly compliance reports to the stock exchanges within the prescribed time limit.

vi. Subsidiary Information

In compliance with Regulation 24 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 The Company has a material non-listed Indian subsidiary company i.e Bengal KDC Housing Development Limited (CIN-U70101WB2006PLC110153) and two Independent Directors of the Company Mrs. Minoti Nath and Mr. Asoke Das were appointed as Independent Directors in Bengal KDC Housing Development Limited w.e.f 08.03.2017. 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.

Report on Corporate Governance *(contd.)*

No of Subsidiary Companies

As at March 31, 2017 the Company had following Subsidiaries

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

Step Down Subsidiary

- Azur Solar KDC Private Limited

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

vii. The Management Discussion and Analysis Report forms a part of the Annual Report and includes various matters specified under the regulation 34 of SEBI (Listing Obligations and Disclosure Requirements), Regulation, 2015.

viii. The CEO/CFO has been placed before the board at their meeting held on July 24, 2017, 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 auditors certificate, with respect to compliance of SEBI (Listing Obligations and Disclosure Requirements), Regulation, 2015 relating to Corporate Governance, has been annexed to the Directors' Report and will be sent to the Stock Exchanges at the time of filing the Company's Annual Report.

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

xi. Details of Directors seeking Appointment/Re-appointment at the ensuing Annual General Meeting as required under the SEBI (Listing Obligations and Disclosure Requirements), Regulation, 2015 is annexed to the Notice convening the Annual General Meeting.

xii. As stipulated by SEBI, a Reconciliation of Share Capital Audit is carried out by an independent Practicing Company Secretary Mr. MD Shahnawaz (Membership No. 21427, C.P. No. 15076) on quarterly basis to confirm reconciliation of the issued and listed capital, shares held in dematerialized and physical mode and the status of the register of members.

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.

Report on Corporate Governance *(contd.)*

Declaration by Executive Directors

In compliance with the requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges relating to Corporate Governance, we confirm that, on the basis of confirmations / declarations received, all the Directors and Senior Management Personnel of the Company have complied with the Code of Conduct and Ethics as adopted by the Board of Directors of the Company

For Kaushalya Infrastructure Dev Corp Ltd
Sd/-
Mahesh Mehra
Whole-time Director
DIN-00086683

Place: Kolkata
Date: 24th July, 2017

9. MEANS OF COMMUNICATION

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

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

10. GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting

Date and Time: Monday, 11th September, 2017 at 10.30 a.m.
Venue:"Aikatan", EZCC, IA-290, Sector-III, Salt Lake, Kolkata, 700 106.

Financial Year

The financial year of the Company is from 1st April, 2016 to 31st March, 2017.

Financial year calendar for 2017-18 (Tentative)*

Particulars	*Tentative Schedule*
Results for the quarter ending 30th June, 2017	Disclosed on 24th July, 2017
Results for the quarter ending 30th September, 2017	On or before November 14, 2017 (Subject to Limited Review)
Results for the quarter ending 31st December, 2017	On or before February 14, 2018 (Subject to Limited Review)
Results for the quarter/year ending 31st March, 2018	On or before May 30, 2018 (Audited)

* Tentative and subject to change.

Report on Corporate Governance *(contd.)*

Book Closure Date

5th September, 2017 to 11th September, 2017 (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.

Listing Fees

Listing fee for the year 2016–17 has been paid to the NSE, BSE where the Company's equity shares are listed.

Depositories

i) National Securities Depository Ltd.
Trade World, 4th Floor, Kamala Mills Compound
Senapati Bapat Marg, Lower Parel Mumbai 400 003

ii) Central Depository Services (India) Ltd.
Phiroze Jeejeebhoy Towers, 17th Floor,
Dalal Street Mumbai 400 023

Corporate Identity Number (CIN)

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

ISIN No. for the Company

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

Stock Code

NSE KAUSHALYA

BSE 532925

Market price data

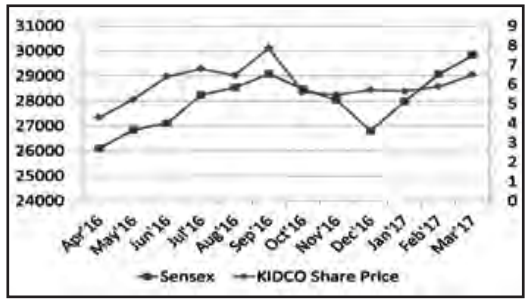
Monthly high, low quotations and trading volumes of the Company's equity shares (Face Value of ₹ 10/- each) during the financial year 2016-17 at BSE and NSE are noted below:

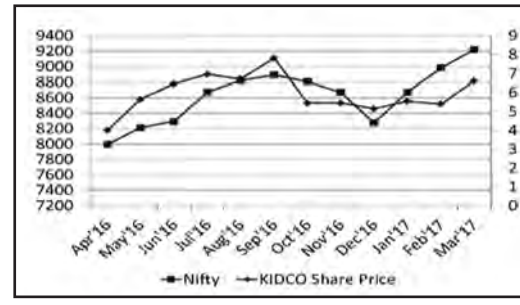
Report on Corporate Governance *(contd.)*

Months	*Bombay Stock Exchange Ltd*			*National Stock Exchange of India Ltd.*		
	High	*Low*	*Volume*	*High*	*Low*	*Volume*
April, 2016	4.29	3.42	33,866	4.00	3.30	87,042
May, 2016	5.21	3.64	96,982	5.65	3.70	3,37,822
June, 2016	6.40	4.25	2,01,472	6.45	4.10	6,86,578
July, 2016	6.79	4.81	2,55,424	6.95	4.90	7,47,250
August, 2016	6.45	4.95	89,018	6.70	4.90	1,74,084
September, 2016	7.86	4.79	7,72,121	7.80	4.80	31,74,431
October, 2016	5.58	4.61	2,53,205	5.45	4.65	7,02,055
November, 2016	5.45	4.23	53,467	5.45	4.25	3,23,520
December, 2016	5.70	4.42	1,26,181	5.15	4.00	2,27,301
January, 2017	5.65	4.52	80,787	5.55	4.40	1,94,002
February, 2017	5.88	4.55	1,55,014	5.40	4.25	1,90,349
March, 2017	6.49	4.32	7,60,882	6.60	4.20	28,91,880

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

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.

Report on Corporate Governance *(contd.)*

Shareholding pattern as on March 31, 2017

Category	No of Shares held	% of shareholding
Promoter & Promoters Group	1,78,06,474	51.42
Institutional Investors	Nil	Nil
Body Corporates	6909701	19.95
Indian Public	9644961	27.85
NRIs/OCB/Others	161518	0.47
Clearing Members	107976	0.31
Total	**34630630**	**100**

Distribution of Shareholding

The distribution of shareholding of the Company as on March 31, 2017 is noted below:

Range of Holding	No. of Shareholders	%	No. of Shares	% on issued shares
Upto - 500	15862	83.04	2500504	7.22
501 - 1000	1593	8.34	1342934	3.88
1001 - 2000	797	4.17	1243902	3.59
2001 - 3000	278	1.46	708497	2.05
3001 - 4000	126	0.66	455210	1.31
4001 - 5000	149	0.78	709441	2.05
5001 - 10000	173	0.91	1300312	3.76
10001- 50000	99	052	1947330	5.62
50001 - 100000	10	0.05	796477	2.30
100001 and above	14	0.07	23626023	68.22
Total	**19101**	**100.00**	**34630630**	**100.00**

Dematerialization of shares and liquidity as on March 31, 2017

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

3,46,29,991 Equity Shares of the Company representing 99.99% of the Company's Equity Share Capital are dematerialised as on 31st March, 2017.

Outstanding convertible instruments, conversion date and likely impact on equity

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

Plant Locations

Not Applicable

Address for Correspondence

For any assistance, queries regarding transfer or transmission of shares, dematerialization, non-receipt of dividend, non-credit of shares in de-mat account and any other query relating to the shares of the

Report on Corporate Governance *(contd.)*

Company and Annual Report, the shareholders may write to the following:

Company Secretary
Mr. Sanjay Lal Gupta
M/s Kaushalya Infrastructure Development Corporation Ltd.
CIN-L51216WB1992PLC055629
HB- 170, Sector – III, Salt Lake, Kolkata – 700 106
Tel: + 91 33 2334 4148, Fax: + 91 33 2334 4148
E –mail: info@kaushalya.net
Website: www.kaushalya.net

Registrar and Share Transfer Agent
M/s. CB Management Services Private Limited
P-22, Bondel Road, Kolkata-700019
Ph: +91 33 40116700, 2280 6692/93/94/2486; Fax: +91 33 2287 0263
Email:rta@cbmsl.com
Website: www.cbmsl.com

Place: Kolkata
Date: 24th July, 2017

For and on behalf of the Board
Mahesh Mehra
DIN-00086683
Whole-time Director

Report on Corporate Governance *(contd.)*

CEO AND CFO Certification

To
The Board of Directors of
Kaushalya Infrastructure Development Corporation Limited

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

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

(1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

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

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

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

(1) significant changes in internal control over financial reporting during the year;

(2) significant changes in accounting policies during the year; and

(3) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Kolkata
Date: The 24th day of July, 2017

Mahesh Mehra
Executive Director &
Whole-time Director

Tarak Nath Mishra
Chief Financial Officer

Report on Corporate Governance *(contd.)*

Auditors' Certificate on Corporate Governance

To
The members of
Kaushalya Infrastructure Development Corporation Limited

We have examined the compliance of the conditions of Corporate Governance by M/s. Kaushalya Infrastructure Development Corporation Limited for the year ended 31st March, 2017 as stipulated in the erstwhile Listing Agreement and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the said Company with the Stock Exchanges in India.

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

In our opinion and to best of our information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We state that in respect of investor grievances received during the year 31st March, 2017, no investor grievances are pending against the Company as on date, as per the records maintained by the Company and presented to the Stakeholders Relationship Committee.

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

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

Sd/-
Monu Jain
Proprietor
Membership No. 302721

Place: Kolkata
Date: The 24th day of July, 2017

Standalone Financials

Independent Auditors' Report

To the Members of

KAUSHALYA INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying Standalone financial statements of **KAUSHALYA INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED** ("the company"), which comprises the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

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

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that

We comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us,

Independent Auditors' Report *(contd.)*

the aforesaid Standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March, 2017 its profit/loss and its cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

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

2. As required by section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid Standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e) On the basis of written representations received from the directors as on 31 March, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to adequacy of internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in Annexure "B".

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

      i. The Company discloses the impact of pending litigations on its financial position in its financial statements – Refer Note 25.1 and 25.9 to the financial statements;

      ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Monu Jain
Proprietor
Membership No: 302721

Place: Kolkata
Date: 30th May, 2017

Independent Auditors' Report *(contd.)*

Annexure "A" to the Independent Auditors' Report

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

1) In respect of fixed assets:

   a) The Company has maintained proper records showing full particulars including quantitative details and situation of the fixed assets in soft copy format.

   b) According to the information and explanations given to us, fixed assets have been physically verified by the management in a phased periodical manner which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.

   c) Based upon the audit procedure performed and according to the records of the company, the title deeds of all the immovable properties are held in the name of the Company.

2) As explained to us, the inventory has been physically verified at reasonable intervals during the year by the management. In our opinion, the frequency of verification is reasonable and there is no material discrepancies found during the previous year.

3) According to information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties Covered in the register maintained under section 189 of the Companies Act 2013.

4) In our opinion and according to information and explanations given to us, the Company has not granted any loans or provided any guarantees or security to the parties cover under section 185 of the Act. In respect of investments made by the Company, the Provisions of section 186 of the Act have been complied with.

5) According to information and explanations given to us, the company has not accepted any deposit from the public during the year in terms of the provision of section 73 to 76 of the Act or any other relevant provisions of the Companies Act, 2013 and the rules made there under.

6) As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the Company.

7) In respect of Statutory due:

   a) According to the information and explanations given to us, the Company, on various instances has delayed the deposit of the undisputed statutory dues, including Provident Fund, Employees State Insurance, Income-tax, Tax deducted at sources, Tax collected at source, Professional Tax, Sales Tax, Value Added Tax (VAT), Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it. According to the information and explanations given to us, undisputed amounts payable in respect of Service Tax ₹ 13,523,858/, Provident Fund ₹ 40,189/- and ESI ₹ 11,171/- were outstanding as at 31st March, 2017 for a period of more than six Month from the date they become payable.

   b) According to the information and explanations given to us, there is no amount disputed in respect of Income-

Annexure "A" to Independent Auditors' Report *(contd.)*

Tax, Value Added Tax, Sales Tax, Excise Duty, Custom Duty, Service tax and Cess. The particulars of dues of Income Tax, Service Tax & VAT as at 31st March, 2017 which have not been deposited on account of dispute, are as follows:

Name of the Statute	Nature of Dues	Amount (in Lacs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act	Income tax	28.47	Asst. Year 2007-08	I.T. Appellate Tribunal
Income Tax Act	Income tax	25.19	Asst. Year 2009-10	I.T. Appellate Tribunal
Income Tax Act	Income tax	37.61	Asst. Year 2010-11	I.T. Appellate Tribunal
Income Tax Act	Income tax	1.91	Asst. Year 2011-12	I.T. Appellate Tribunal
Income Tax Act	Income tax	51.43	Asst. Year 2012-13	Commissioner of Income Tax (Appeals)
Income Tax Act	Income tax	278.06	Asst. Year 2013-14	Commissioner of Income Tax (Appeals)
Income Tax Act	Income tax	475.52	Asst. Year 2014-15	Commissioner of Income Tax (Appeals)
Income Tax Act	Interest on TDS & Late Fees	2.46	Asst. Year 2015-16	TDS Circle-II
Income Tax Act	Short Deduction of TDS & Late Fees	3.02	Asst. Year 2014-15	TDS Circle-II
Income Tax Act	Interest & Short Deduction of TDS & Late Fees	3.30	Asst. Year 2013-14	TDS Circle-II
Income Tax Act	Interest on TDS	15.75	Asst. Year 2012-13	TDS Circle-II
The Central Excise Act, 1944	Service Tax	896.85	From 1st April, 2010-31st December, 2012 under VCES	CESTAT, Kolkata
The WB.VAT Act, 2003	Vat	21.00	Financial Year 2007-08	WBVAT Appellate Board, Kolkata
The WB.VAT Act, 2003	Vat	817.10	Financial Year 2008-09	Revision Board, Kolkata
The WB.VAT Act, 2003	Vat	6.60	Financial Year 2009-10	Sr. Joint Commissoner Appeal, Kolkata
The WB.VAT Act, 2003	Vat	0.35	Financial Year 2010-11	Sr. Joint Commissoner Appeal, Kolkata

Annexure "A" to Independent Auditors' Report *(contd.)*

8) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the company has defaulted in repayment of loan & borrowings dues to bank. The bankers of the Company i.e. State Bank of India and Indian Overseas Bank have sent Demand Notice/Notice U/s. 13(2) of SARFAESI Act calling up the entire loan with outstanding interest and have filed applications with Debt Recovery Tribunal . The company has not issued any debenture at balance sheet date.

9) The company has raised moneys by way of initial public offer in the financial 2007-08.

10) In our opinion and according to the information and explanations given to us, no fraud on or by the Company by its officers or employees has been noticed or reported during the Year.

11) In our opinion, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.

12) In our opinion, the company is not a Nidhi Company. Therefore, the Provision of clause 3(xii) of the order are not applicable to the Company.

13) In our Opinion, all transactions with related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards.

14) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year, therefore the Provision of clause 3(xiv) of the order are not applicable to the Company under review.

15) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not entered into any non-cash transaction with directors or persons connected with him, therefore reporting under clause 3(xv) of the Order are not applicable.

16) In our opinion the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Monu Jain
Proprietor
Membership No: 302721

Place: Kolkata
Date: 30th May, 2017

Annexure "B" to Independent Auditor's Report

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

Report on the Internal Financial Controls under clause (i) of sub section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **KAUSHALYA INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED** ("the company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial control over financial reporting criteria

Annexure "B" to Independent Auditors' Report *(contd.)*

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Annexure "B" to Independent Auditors' Report *(contd.)*

have a materials effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on audit of Internal Financial Controls Over Financial Reporting Issued by the Institute of Chartered Accountants of India.

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

Monu Jain
Proprietor
Membership No: 302721

Place: Kolkata
Date: 30th May, 2017

Balance Sheet as at 31st March, 2017

(Amount in ₹)

Particulars	Note	As at 31st March, 2017	As at 31st March, 2016
EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	346,306,300	346,306,300
(b) Reserve & Surplus	4	(83,185,666)	(43,106,503)
		263,120,634	**303,199,797**
(2) Non-Current Liabilities			
(a) Deferred Tax Liabilities (Net)	29	4,655,113	5,235,593
(b) Other Long Term Liabilities	5	9,338,712	9,338,712
(c) Long Term Provisions	6	846,411	846,411
		14,840,236	**15,420,716**
(3) Current Liabilities			
(a) Short Term Borrowings	7	625,006,970	613,401,656
(b) Trade Payables	8	120,877,556	120,668,121
(c) Other Current Liabilities	9	108,757,193	113,955,288
(d) Short Term Provisions	10	63,450,195	64,049,355
		918,091,914	**912,074,420**
TOTAL		**1,196,052,783**	**1,230,694,933**
ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	11	31,055,988	35,386,915
(b) Non-Current Investments	12	640,984,434	641,463,699
(c) Long-Term Loans and Advances	13	163,395,374	150,471,161
		835,435,796	**827,321,775**
(2) Current Assets			
(a) Inventories	14	4,854,085	5,447,345
(b) Trade Receivables	15	226,874,367	266,286,093
(c) Cash & Cash Equivalents	16	3,062,933	9,162,667
(d) Short Term Loans and Advances	17	125,608,943	122,320,353
(e) Other Current Assets	18	216,658	156,700
		360,616,987	**403,373,158**
TOTAL		**1,196,052,783**	**1,230,694,933**
See accompanying notes forming part of the financial statements	1-34		

In terms of our report attached.

For Monu Jain & Company
Firm Regn. No. 327900E
Chartered Accountants
Monu Jain
Proprietor
Membership No. 302721
Place : Kolkata
Date : 30th May, 2017

For and on behalf of the Board of Directors

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

Statement of Profit and Loss for the year ended 31st March, 2017

(Amount in ₹)

	Particulars	Note	For the year ended 31st March, 2017	For the year ended 31st March,2016
1	**Revenue from operations (gross)**	19	1,270,569	6,353,258
	Less: Service Tax		(4,400,160)	634,380
	Revenue from operations (net)		5,670,729	5,718,878
2	**Other income**	20	2,252,455	11,385,394
3	**Total revenue (1+2)**		**7,923,184**	**17,104,272**
4	**Expenses**			
	Cost of Material Consumed	21.a	1,029,404	17,222,368
	Changes in Inventories of finished goods, work-in-progress and stock-in-trade	21.b	-	-
	Employee benefits expense	22	3,062,125	6,339,804
	Finance costs	23	(4,007,916)	(342,727)
	Depreciation and amortisation expense	11	4,330,927	4,422,765
	Other expenses	24	4,168,287	137,488,824
	Provision for Doubtful Debts		40,000,000	400,000,000
	Total expenses		**48,582,827**	**565,131,034**
5	**Profit / (Loss) before tax (3 - 4)**		**(40,659,643)**	**(548,026,762)**
6	**Tax expense:**			
	Current tax expense for current year		-	-
	Current tax expense relating to prior years		-	-
	Deferred tax	29	(580,480)	(481,915)
			(580,480)	**(481,915)**
7	**Profit / (Loss) for the year (5 - 6)**		**(40,079,163)**	**(547,544,847)**
8	**Earnings per share (of Rs. 10/- each):**	28		
	(a) Basic		(1.16)	(15.81)
	(b) Diluted		(1.16)	(15.81)
	See accompanying notes forming part of the financial statements	1-34		

In terms of our report attached.

For Monu Jain & Company
Firm Regn. No. 327900E
Chartered Accountants
Monu Jain
Proprietor
Membership No. 302721
Place : Kolkata
Date : 30th May, 2017

For and on behalf of the Board of Directors

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

Cash Flow Statement for the year ended 31st March, 2017

(Amount in ₹)

Particulars	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		(40,659,643)		(548,026,762)
Adjustments for:				
Depreciation and amortisation	4,330,927		4,422,765	
Finance costs	(4,007,916)		(342,727)	
Interest income	(495,970)	(172,959)	(1,170,051)	2,909,987
Operating profit / (loss) before working capital changes		(40,832,602)		(545,116,775)
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Inventories	593,260		4,497,420	
Trade receivables	39,411,726		513,353,571	
Short-term loans and advances	(697,528)		10,311,044	
Long-term loans and advances	(15,869,342)		9,693,138	
Other current assets	(59,958)	23,378,158	(75,008)	537,780,165
Adjustments for increase / (decrease) in operating liabilities:				
Other long term liabilities	-		-	
Long term provisions	-		-	
Trade payables	209,435		(10,175,377)	
Other current liabilities	(5,198,096)		2,062,096	
Short-term provisions	-	(4,988,661)	-	(8,113,281)
Cash flow from extraordinary items		-		-
Cash generated from operations		(22,443,105)		(15,449,891)
Net income tax (paid) / refunds		(3,190,222)		(200,741)
Net cash flow from / (used in) operating activities (A)		**(25,633,327)**		**(15,650,632)**
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances		-		-
Bank balances not considered as Cash and cash equivalents				
– Placed		-		-
– Matured		6,338,967		4,679,877
Purchase of long-term investments				
– Others		479,265		(469,408,584)
Loans & Advances given				
– Subsidiaries & Step down subsidiaries		2,945,129		478,041,356
– Joint Ventures		-		(64,791)
Interest received				
– Others		495,970		1,170,051
Cash flow from extraordinary items		-		-
Net cash flow from / (used in) investing activities (B)		**10,259,331**		**14,417,909**

Cash Flow Statement for the year ended 31st March, 2017 *(contd.)*

(Amount in ₹)

Particulars		For the year ended 31st March, 2017		For the year ended 31st March, 2016
C. Cash flow from financing activities				
IPO Share Application Money transferred		-		-
Net increase / (decrease) in working capital borrowings		11,605,314		(1,307,998)
Finance cost		4,007,916		342,727
Cash flow from extraordinary items		-		-
Net cash flow from / (used in) financing activities (C)		**15,613,230**		**(965,271)**
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		**239,234**		**(2,197,994)**
Cash and cash equivalents at the beginning of the year		335,954		2,533,948
Cash and cash equivalents at the end of the year		575,187		335,954
Reconciliation of Cash and cash equivalents with the Balance Sheet:				
Cash and cash equivalents as per Balance Sheet (Refer Note 16)		3,062,933		9,162,667
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements				
Deposit pledged with bank as security against borrowings	2,487,746		8,826,713	
IPO refund account	-	2,487,746	-	8,826,713
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 16		**575,187**		**335,954**
Add: Current investments considered as part of Cash and cash equivalents (as defined in AS 3 Cash Flow Statements)		-		-
Cash and cash equivalents at the end of the year *		**575,187**		**335,954**
* Comprises:				
(a) Cash on hand		532,612		205,582
(c) Balances with banks				
(i) In current accounts		42,575		130,372
(ii) In deposit accounts with original maturity of less than 3 months		–		–
		575,187		**335,954**

Notes:

(i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.

(ii) These earmarked account balances with banks can be utilised only for the specific identified purposes.

See accompanying notes forming part of the financial statements

In terms of our report attached.

For Monu Jain & Company
Firm Regn. No. 327900E
Chartered Accountants
Monu Jain
Proprietor
Membership No. 302721
Place : Kolkata
Date : 30th May, 2017

For and on behalf of the Board of Directors

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

Notes forming part of the Financial Statements

Note 1: Corporate Information

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

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

Note 2: Significant Accounting Policies

2.1 Basis of accounting and preparation of financial statements:

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

2.2 Use of estimates

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

2.3 Inventories

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

Work-in-progress is valued at cost.

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

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

2.5 Cash flow statement

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

2.6 Depreciation

i) Tangible Fixed Assets

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

2.7 Revenue recognition

Income from services

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

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

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

Contract Income

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

Income from Hotel:

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

2.8 Other income

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

Hire Charges: Income from Hire Charges is recognizedon accrual basis.

2.9 Tangible Fixed Assets

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

2.10 Investments

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

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

2.11 Employee Benefits

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

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

2.12 Borrowing Costs

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

2.13 Segment reporting

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

2.14 Earnings per share

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

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

shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.15 Taxes on income

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

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

2.16 Joint Venture Operations

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

2.17 Impairment of assets

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

2.18 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.The company has written off debtors amounting to ₹ 4,00,00,160/- against earlier provision for Doubtful Debts. Further based on review of debtors, the management of the company had thought it to be prudent and had decided to make further provision for Doubtful Debts to the tune of ₹ 4 crores in the fourth quarter of current financial year keeping the overall provision at ₹ 40 crores approx.

2.19 Service Tax Input Credits

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

2.20 Operating Cycle:

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

2.21 Advances to Subsidiaries& Associates:

The amount of ₹ 1,476,403/- in aggregate is standing as advance to its step down subsidiary at the balance sheet. The company has converted advance of ₹ 469,408,584/-, given to its subsidiaries & associates, into 10% Redeemable Non-cumulative Preference Shares of ₹ 10/- each during the previous year.

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

(Amount in ₹)

Note 3 : Share capital

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	Number of shares	₹	Number of shares	₹
(a) Authorised				
Equity shares of ₹ 10/- each with voting rights	35,000,000	350,000,000	35,000,000	350,000,000
	35,000,000	**350,000,000**	**35,000,000**	**350,000,000**
(b) Issued				
Equity shares of ₹ 10/- each with voting rights	34,630,630	346,306,300	34,630,630	346,306,300
	34,630,630	**346,306,300**	**34,630,630**	**346,306,300**
(c) Subscribed and fully paid up				
Equity shares of ₹ 10/- each with voting rights	34,630,630	346,306,300	34,630,630	346,306,300
Total	**34,630,630**	**346,306,300**	**34,630,630**	**346,306,300**

Refer Notes (i) to (iii) below

Notes:

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

Particulars	Opening Balance	Fresh Issue	Other Changes	Closing Balance
Issued, Subscried and Fully Paid-up				
Equity shares with voting rights				
Year ended 31st March, 2017				
- Number of shares	34,630,630	-	-	34,630,630
- Amount (₹)	346,306,300	-	-	346,306,300
Year ended 31st March, 2016				
- Number of shares	34,630,630	-	-	34,630,630
- Amount (₹)	346,306,300	-	-	346,306,300

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

Class of shares / Name of shareholder	As at 31st March, 2017		As at 31st March, 2016	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Mahanti Engineers Pvt. Ltd.	5,082,600	14.68	5,082,600	14.68
Sunkissed Merchandise Pvt. Ltd.	5,022,900	14.50	5,022,900	14.50
Keleenworth Marketing Pvt. Ltd.	4,336,350	12.52	4,336,350	12.52
Total	**14,441,850**	**41.70**	**14,441,850**	**41.70**

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

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

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

(Amount in ₹)

Note 4: Reserves & Surplus

	Particulars	As at 31st March, 2017	As at 31st March, 2016
(a)	**Securities premium account**		
	Opening balance	479,384,836	479,384,836
	Add : Premium on shares issued during the year	-	-
	Less : Utilised during the year for:	-	-
	Closing balance	**479,384,836**	**479,384,836**
(b)	**Revaluation Reserve**		
	Opening balance	23,987,021	23,987,021
	Add: Addition on revaluations during the year	-	-
	Less: Utilised for set off against depreciation	-	-
	Closing balance	**23,987,021**	**23,987,021**
(c)	**General Reserve**		
	Opening balance	24,500,000	24,500,000
	Add: Transferred from surplus in Statement of Profit and Loss	-	-
	Less: Utilised / transferred during the year for:	-	-
	Closing balance	**24,500,000**	**24,500,000**
(d)	**Surplus / (Deficit) in Statement of Profit and Loss**		
	Opening balance	(570,978,360)	(23,433,513)
	Add: Profit / (Loss) for the year	(40,079,163)	(547,544,847)
	Closing balance	**(611,057,523)**	**(570,978,360)**
	Total	**(83,057,523)**	**(43,106,503)**

Note 5: Other Long Term Liabilities

Particulars	As at 31st March, 2017	As at 31st March, 2016
Advances from Related Parties		
Joint Venture & Associates	9,338,712	9,338,712
Total	**9,338,712**	**9,338,712**

Note 6: Long Term Provisions

Particulars	As at 31st March, 2017	As at 31st March, 2016
Provision for Employee Benefits - Gratuity	846,411	846,411
Total	**846,411**	**846,411**

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

(Amount in ₹)

Note 7: Short Term Borrowings

Particulars	As at 31st March, 2017	As at 31st March, 2016
Loans repayable on demand		
(a) **Cash Credit From banks**		
Secured		
(i) **State Bank of India***	292,643,320	292,643,320
(Secured by way of hypothecation of stock of raw material, work-in-progress, book debts and personal guarantee of directors and their relatives, collateral security of property of the company and group companies.)		
(ii) Indian Overseas Bank	323,711,297	315,249,078
(Secured by way of hypothecation of stock of raw material, work-in-progress, book debts and personal guarantee of directors and their relatives, collateral security of property of the company and group companies.)		
(b) Southern Lease Finance Ltd.	6,052,218	5,509,258
(Secured against Pledge of 74% existing stake held in subsidiaries & Associates)		
(c) Bengal KDC Housing Development Ltd.	2,600,135	–
Total	**625,006,970**	**613,401,656**

* Also refer Note 32(e)

Note 8: Trade Payables

Particulars	As at 31st March, 2017	As at 31st March, 2016
Trade Payables		
Acceptances	–	–
Other than Acceptances	120,877,556	120,668,121
Total	**120,877,556**	**120,668,121**

Note 9: Other Current Liabilities

Particulars	As at 31st March, 2017	As at 31st March, 2016
Statutory Remittances	13,961,801	19,159,896
Advances from customers/ contractors	94,795,192	94,795,392
Total	**108,757,193**	**113,955,288**

Note 10: Short Term Provisions

Particulars	As at 31st March, 2017	As at 31st March, 2016
Provision for Income-tax	63,014,859	63,614,019
Provision for FBT	435,336	435,336
Total	**63,450,195**	**64,049,355**

(Amount in ₹)

Note 11: Fixed Assets

Particulars	Gross Block				Depreciation				Net Block	
	As at 01.04.2016	Additions	Deductions	Total	Upto 31.03.2016	For the Year	Sales/ Adjustments	Total	As at 31.03.2017	As at 31.03.2016
TANGIBLE ASSETS										
(a) Buildings										
Own use	**9,993,919**	-	-	**9,993,919**	**2,144,274**	**154,053**	-	**2,298,328**	**7,695,591**	**7,849,645**
Construction	107,298	-	-	107,298	107,298	-	-	107,298	-	-
Site Building	107,298	-	-	107,298	107,298	-	-	107,298	-	-
Hotel	9,886,621	-	-	9,886,621	2,036,976	154,053	-	2,191,030	7,695,591	7,849,645
Building	9,886,621	-	-	9,886,621	2,036,976	154,053	-	2,191,030	7,695,591	7,849,645
(b) Plant and Equipment										
Owned	**65,467,460**	-	-	**65,467,460**	**38,198,342**	**4,037,728**	-	**42,236,070**	**23,231,390**	**27,269,118**
Construction	64,671,342	-	-	64,671,342	37,433,660	4,035,891	-	41,469,551	23,201,791	27,237,682
Plant & Machinery	61,604,246	-	-	61,604,246	34,366,564	4,035,891	-	38,402,455	23,201,791	27,237,682
JCB Excavator	3,067,096	-	-	3,067,096	3,067,096	-	-	3,067,096	-	-
Hotel	796,118	-	-	796,118	764,683	1,837	-	766,519	29,599	31,435
Plant & Machinery	796,118	-	-	796,118	764,683	1,837	-	766,519	29,599	31,435
(c) Furniture and Fixtures										
Owned	**4,762,632**	-	-	**4,762,632**	**4,587,207**	**80,511**	-	**4,667,718**	**94,914**	**175,425**
Construction	2,005,586	-	-	2,005,586	1,830,161	80,511	-	1,910,672	94,914	175,425
Hotel	2,757,046	-	-	2,757,046	2,757,046	-	-	2,757,046	-	-
(d) Vehicles										
Owned	**7,627,741**	-	-	**7,627,741**	**7,561,093**	**46,419**	-	**7,607,512**	**20,229**	**66,648**
Construction	7,616,183	-	-	7,616,183	7,549,535	46,419	-	7,595,954	20,229	66,648
Motor Car	3,402,899	-	-	3,402,899	3,351,106	44,511	-	3,395,617	7,282	51,793
Vehicles	4,177,289	-	-	4,177,289	4,177,289	-	-	4,177,289	-	-
Cycles	35,995	-	-	35,995	21,140	1,908	-	23,048	12,947	14,855
Hotel	11,558	-	-	11,558	11,558	-	-	11,558	-	-
Vehicles	11,558	-	-	11,558	11,558	-	-	11,558	-	-
(e) Office equipment										
Owned	**1,034,312**	-	-	**1,034,312**	**1,008,232**	**12,216**	-	**1,020,449**	**13,863**	**26,080**
Construction	997,762	-	-	997,762	971,682	12,216	-	983,899	13,863	26,080
Computer	997,762	-	-	997,762	971,682	12,216	-	983,899	13,863	26,080
Hotel	36,550	-	-	36,550	36,550	-	-	36,550	-	-
Computer	36,550	-	-	36,550	36,550	-	-	36,550	-	-
Total (₹)	**88,886,064**	-	-	**88,886,064**	**53,499,149**	**4,330,927**	-	**57,830,076**	**31,055,988**	**35,386,915**
Previous Year (₹)	**88,886,064**	-	-	**88,886,064**	**49,076,384**	**4,422,765**	-	**53,499,149**	**35,386,915**	**39,809,680**

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

(Amount in ₹)

Note 12: Non Current Investments

Particulars	FV	31-Mar-17		31-Mar-16	
		Nos.	₹	Nos.	₹
A. Trade Investments					
(a) Investment in Unquoted, fully paid-up Equity Shares of:-					
(i) Subsidiary Companies					
Bengal Kaushalya Nirman Ltd.	10	102,000	1,020,000	102,000	1,020,000
Bengal KDC Housing Development Ltd.	10	102,000	1,020,000	102,000	1,020,000
Kaushalya Energy Pvt. Ltd.	10	95,500	955,000	95,500	955,000
Total (A)		**299,500**	**2,995,000**	**299,500**	**2,995,000**
(ii) Associates					
Kaushalya Township Pvt. Ltd.	10	317,357	15,507,850	317,357	15,507,850
Kaushalya Nirman Pvt. Ltd.	10	46,000	1,940,000	46,000	1,940,000
Orion Abasaan Pvt. Ltd.	10	29,000	1,090,000	29,000	1,090,000
Total (B)		**392,357**	**18,537,850**	**392,357**	**18,537,850**
(iii) Others					
Balaji Turnkey Projects Solution (P) Ltd.	10	228,600	51,435,000	228,600	51,435,000
Enlightened Projects Ltd.	10	195,500	29,325,000	195,500	29,325,000
Orkay Engineering Ltd.	10	853,000	42,650,000	853,000	42,650,000
Flare Realty Engineering (P) Ltd.	10	2,600	26,000	2,600	26,000
Total (C)		**1,279,700**	**123,436,000**	**1,279,700**	**123,436,000**
(b) Investment in 10% Reeemable Non-Cumulative Preference Shares of:					
Kaushalya Nirman Pvt. Ltd.	10	879,968	51,038,144	879,968	51,038,144
Kaushalya Township Pvt. Ltd.	10	3,498,630	199,421,910	3,498,630	199,421,910
Orion Abasaan Pvt. Ltd.	10	1,985,740	109,215,700	1,985,740	109,215,700
Total (D)		**6,364,338**	**359,675,754**	**6,364,338**	**359,675,754**
(c) Investment in 10% Redeemable Non-Cumulative Preference Shares of:					
Bengal KDC Housing Development Ltd.	10	10,973,283	109,732,830	10,973,283	109,732,830
Total (E)		10,973,283	109,732,830	10,973,283	109,732,830
Total (A) + (B) + (C) + (D) + (E)		**19,309,178**	**614,377,434**	**19,309,178**	**614,377,434**
(d) Investment in Land			26,607,000		26,607,000
			26,607,000		**26,607,000**
B. Other than Trade Investments					
Gold Coins [50 Gms. Each]		10	-	10	479,265
		10	-	10	479,265
Total			**640,984,434**		**641,463,699**
Aggregate value of unquoted Investments			**614,377,434**		**614,377,434**

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

(Amount in ₹)

Note 13: Long Term Loans and Advances

Particulars	As at 31st March, 2017	As at 31st March, 2016
Unsecured and considered good		
Security Deposits & Earnest Money Deposits	156,174,399	140,305,057
Advance to Body Corporates	5,744,572	5,744,572
Advances to related parties		
Subisidiary & Associates Companies	-	2,945,129
Step Down Subisidiaries	1,476,403	1,476,403
Total	**163,395,374**	**150,471,161**

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

Particulars	As at 31st March, 2017	As at 31st March, 2016
Other officers of the Company	-	-
Private companies in which any director is a director*	-	-
Private companies in which any director is a member*	-	-
Total	**-**	**-**

Note 14: Inventories

Particulars	As at 31st March, 2017	As at 31st March, 2016
Raw Materials	748,075	1,333,760
Work in Progress		
– Construction Work in Progress	4,104,085	4,104,085
Stores & Spares	1,925	9,500
Total	**4,854,085**	**5,447,345**

Note 15: Trade Receivables

Particulars	As at 31st March, 2017	As at 31st March, 2016
Unsecured, considered good		
Overdue for a period exceeding six months	621,041,804	623,136,690
Other Trade receivables	5,832,403	43,149,403
	626,874,207	666,286,093
Less: Provision for Doubtful Debts	399,999,840	400,000,000
Total	**226,874,367**	**266,286,093**

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

(Amount in ₹)

Note 16: Cash and Cash Equivalents

Particulars	As at 31st March, 2017	As at 31st March, 2016
(a) Cash on hand (as certified by the management)	532,612	205,582
(b) Balances with banks		
(i) In current accounts	42,575	130,372
(ii) In earmarked accounts (Refer Note (i) below)		
Balances in Deposit Accounts held as margin money or security against borrowings, guarantees and other commitments (Refer Note (i) below)	2,487,746	8,826,713
Share application money received for allotment of securities and due for refund	–	–
Total	**3,062,933**	**9,162,667**
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is	575,187	335,954

Notes:

(i) Includes deposits amounting to ₹ 25,000/- (As at 31 March, 2016 ₹ 7,073,057/-) which have an original maturity of more than 12 months.

(ii) Please refer note 32 for details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30-12-2016.

Note 17: Short Term Loans and Advances

Particulars	As at 31st March, 2017	As at 31st March, 2016
Unsecured, considered good		
Advances to Suppliers & Subcontractors	1,473,169	357,604
Advances to Employees	76,927	202,463
Advance against Expenses	57,871	84,210
Balances with government authorities		
Income Tax Payments	124,000,976	121,409,914
Secured, considered good		
Prepaid Expenses	-	266,162
Total	**125,608,943**	**122,320,353**

Note 18: Other Current Assets

Particulars	As at 31st March, 2017	As at 31st March, 2016
Accruals		
Interest accrued on deposits	216,658	156,700
Total	**216,658**	**156,700**

Note 19: Revenue from Operations

Particulars	For the year Ended 31st March, 2017	For the year Ended 31st March, 2016
Sale of Services (Gross)		
Contract Receipts	747,822	6,015,563
Other Operating Revenues		
Profit from Hotel before depreciation & taxes(Refer Note 19A)	522,747	337,695
	1,270,569	6,353,258
Less: Service Tax	(4,400,160)	634,380
Total	**5,670,729**	**5,718,878**

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

(Amount in ₹)

NOTE 19A: Profit from Hotel Business

Particulars	For the Year Ended 31-Mar-17	For the Year Ended 31-Mar-16
REVENUE FROM OPERATIONS		
Food Sale	437,024	371,184
Room Rent	1,076,048	856,783
Cultivation Income	553,650	287,200
Total (A)	**2,066,722**	**1,515,167**
EXPENDITURE		
Raw Food Purchased	319,599	258,299
Fuel (Cooking)	28,906	28,375
Repairs & Maintenance - Buildings	198,911	73,636
Transport Expenses	1,450	1,900
Stores	85,275	16,845
Employee Benefits		
Salary	96,267	99,900
Site Allowance	21,067	20,100
Administrative & Other Expenses		
Advertiesment	4,300	600
Bank Charges	4,083	3,290
Books & Periodicals	2,704	1,583
Electricity Charges	133,557	122,373
Cultivation Expenses	222,575	131,495
General Expenses	18,320	42,214
Gardening Expenses	43,517	39,244
Interest on Delay Payment of Vat	-	336
Insurance	9,344	11,800
Medical Expenses	-	150
Labour Charges incl. Allowances	202,701	204,200
Laundry Expenses	16,478	11,223
Postage/Fax/Courier	40	590
Printing & Stationery	5,395	4,021
Prior period	1,059	159
Rates & Taxes	5,550	8,750
Security Expenses	86,400	72,600
Subscription	10,835	8,351
Telephone Expenses	2,102	1,142
Travelling & Conveyance	23,541	14,296
Total (B)	**1,543,976**	**1,177,472**
Profit/(Loss) before Depreciation and Taxes(A-B)	**522,747**	**337,695**

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

(Amount in ₹)

Note 20: Other Income

Particulars	For the year Ended 31st March, 2017	For the year Ended 31st March, 2016
Interest Income		
Interest from Bank on Deposits & Others	495,970	1,170,051
Agricultural Income	312,000	-
Sundry Credit balance W/off	-	9,729,923
Hire Charges	390,000	480,000
Profit on Sale of Gold Coin	1,044,485	-
Miscellaneous Income	10,000	5,420
Total	**2,252,455**	**11,385,394**

Note 21.a : Cost of Material Consumed

Particulars	For the year Ended 31st March, 2017	For the year Ended 31st March, 2016
Opening stock	1,343,260	5,840,680
Add: Purchases	436,144	12,724,948
	1,779,404	18,565,628
Less: Closing stock	750,000	1,343,260
Cost of material consumed	**1,029,404**	**17,222,368**

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

Particulars	For the year Ended 31st March, 2017	For the year Ended 31st March, 2016
Inventories at the beginning of the year:		
Work-in-progress	4,104,085	4,104,085
	4,104,085	**4,104,085**
Less: Inventories at the end of the year:		
Work-in-progress	4,104,085	4,104,085
	4,104,085	**4,104,085**
Net (increase) / decrease	–	–

Note 22: Employee Benefit Expenses

Particulars	For the year Ended 31st March, 2017	For the year Ended 31st March, 2016
Salary, Allowances & Bonus	1,767,701	3,575,019
Directors' Remuneration	1,140,000	2,451,290
Contribution to PF, ESI & Other Funds	18,740	38,508
Staff Welfare	135,684	274,987
Employee Retirement Benefits	-	-
Total	**3,062,125**	**6,339,804**

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

(Amount in ₹)

Note 23: Finance Costs

Particulars	For the year Ended 31st March, 2017	For the year Ended 31st March, 2016
(a) **Interest expense on**		
(i) Borrowings	(4,586,806)	(1,679,491)
(ii) Delayed/Deferred payment of taxes	4,632	70,154
(b) **Other borrowing costs**	574,258	1,266,610
Total	**(4,007,916)**	**(342,727)**

Note 24: Other Expenses

Particulars	For the year Ended 31st March, 2017	For the year Ended 31st March, 2016
Contract Operating Expenses		
Consumption of Stores & Spare Parts	52,439	126,921
Unrecoverable Works Contract	-	110,534,842
Hire Charges	37,750	17,860
Labour Charges & Allowances	188,588	4,940,230
Power & Fuel	26,532	244,937
Repairs & Maintenance- Machinery	33,531	388,000
Freight Charges	28,500	58,030
Works Contract Tax	12,225	397,586
	379,565	**116,708,406**
Administrative Expenses		
Rent	376,000	1,147,200
Rates & Taxes	800,285	704,987
Insurance	4,857	55,355
Consultancy & Professional Charges	1,328,543	1,215,051
Directors' Sitting Fee	135,000	140,500
Electricity Charges	149,393	264,692
Post, Telegraph, Telephone & Internet	129,018	307,909
Travelling & Conveyance	148,447	568,314
Printing & Stationery	250,346	620,524
Payment to Auditors		
- As Audit Fees	86,252	85,688
- As Tax Audit Fees	28,748	28,563
- For Certification	-	-
Prior Period Expenses	-	279,842
Miscellaneous Expenses	218,061	157,153
	3,654,950	**5,575,777**
Selling & Distribution Expenses		
Advertisement	127,172	131,185
Subscription	6,600	1,850
	133,772	**133,035**
Other Expenses		
Sundry Debit Balance W/Off	-	15,071,606
	-	**15,071,606**
Total	**4,168,287**	**137,488,824**

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

(Amount in ₹)

Note 25: Additional Information of the Financial Statements

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

Sl. No.	Particulars		As on 31.03.2017	As on 31.03.2016
1.	a.	Performance guarantees issued by the banks to various Government Authorities, for which the Company has provided counter guarantee against which fixed deposit receipts have been pledged by the Company.	3,801,000	24,470,270
	b.	Performance Guarantee issued on behalf of other company against which fixed deposit receipts have been pledged by the Company.	NIL	8,674,000
	c.	Bank Interest Reversed	1,679,491	1,679,491
2.	**Claims not acknowledged as debts**			
	Income Tax Demand (Assessment Year 2005-06)		NIL	90,875
	Income Tax Demand (Assessment Year 2007-08)		2,846,864	2,846,864
	Income Tax Demand (Assessment Year 2009-10)		2,518,665	3,026,950
	Income Tax Demand (Assessment Year 2010-11)		3,761,030	3,761,030
	Income Tax Demand (Assessment Year 2011-12)		190,580	190,580
	Income Tax Demand (Assessment Year 2012-13)		5,142,880	5,142,880
	Income Tax Demand (Assessment Year 2013-14)		27,806,230	27,806,230
	Income Tax Demand (Assessment Year 2014-15)		47,552,070	NIL

Indian Overseas Bank has encashed Bank Guarantee worth of ₹ 20,669,270 during the year.

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

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

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

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

The loans and advances in the nature of advances given by the company to its Subsidiariesand Associates, amounts to ₹ 1,476,403/-, in aggregate as on 31st March 2017. The details of the same have been provided below:

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

Sl. No.	Name of the Subsidiary	Balance as at 31.03.2017	Maximum Balance 2016-17	Balance as at 31.03.2016	Maximum Balance 2015-16
1	Bengal Kaushalya Nirman Ltd.	Nil	Nil	Nil	Nil
2	Bengal KDC Housing Development Ltd.	Nil	2,945,129	2,945,129	118,232,236
3	Kaushalya Energy (P) Ltd.	Nil	Nil	Nil	Nil
4	Kaushalya Nirman (P) Ltd.	Nil	Nil	Nil	51,038,180
5	Azur Solar KDC (P) Ltd.	1,476,403	1,476,403	1,476,403	1,476,403
6	Kaushalya Township (P) Ltd.	Nil	Nil	Nil	204,446,228
7	Orion Abasaan (P) Ltd.	Nil	Nil	Nil	108,990,241

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

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

(Amount in ₹)

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

Name of the subsidiary	As at 31st March, 2017	As at 31st March, 2016
	₹	₹
	Nil	Nil

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

Particulars	For the year Ended 31st March, 2017	For the Year Ended 31st March, 2016
Traveling and Conveyance	Nil	Nil
Loss in repayment of Term Loan	Nil	Nil

25.5 : Details of consumption of imported and indigenous items

Particulars	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
	Amount (Rs.)	%	Amount (Rs.)	%
Indigenous				
Raw Material	1,029,404	100	17,222,368	100
Components	Nil	Nil	Nil	Nil
Spare Parts	52,439	100	126,921	100
Imported				
Raw Material	Nil	Nil	Nil	Nil
Components	Nil	Nil	Nil	Nil
Spare Parts	Nil	Nil	Nil	Nil

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

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

Note 25.8: Current assets

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

a. Outstanding Sundry debtors:

Out of total Sundry Debtors (Net of Provision) of ₹ 266,874,367/-, an amount of ₹ 157,103,584/- is outstanding since long, and out of which several debtors are under dispute.

Note 25.9: Statutory Compliances

The following areas are of concern:

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

i. The company opted for the VCES, 2013 for the service tax payable corresponding to the period from April' 2009 to December' 2012. The total liability of the service tax for the said period stood to ₹ 15,943,004/, payable in two equal installments on or before 31st Dec, 2013 and 30th June, 2014 respectively. The company has paid ₹ 7,972,657/- i.e 50% of declared liability till date. In the meantime, the Company has received a show cause cum demand notice from Service Tax Commissionerate, Kolkata for ₹ 42,184,307/- for the said period.After hearing of demand notice, Principal Commissioner of Service Tax -1, Kolkata issued an order

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

on 29-09-16 levied demand of ₹ 89,684,638/- along with Tax, Interest & Penalty. The company preferred to go to CESTAT and filed Appeal thereon on 27-12-16. However, the hearing of the matter is still pending.

Note 25.10: Dilution of holding:

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

Note 25.11: Fixed Deposits:

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

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

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

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

I. Parties Where Control Exists

Subsidiaries

1 Bengal Kaushalya Nirman Ltd.

2 Bengal KDC Housing Development Ltd.

3 Kaushalya Energy (P) Ltd.

Step Down Subsidiaries

4 Azur Solar KDC (P) Ltd.

II. Joint Ventures

Jointly Controlled Entities

1 New Asian Construction Co.

III. Associates

1 Kaushalya Nirman Pvt Limited

2 Orion Abasaan Pvt. Limited

3 Kaushalya Township Pvt. Limited

IV. Key Management Personnel :

1 Mr. Mahesh Mehra, Whole-time Director

2 Mr. Asoke Das, Independent Director

3 Mr. Anil Kumar Agarwal, Independent Director

4 Mrs. Minoti Nath, Woman Independent Director

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

a) Relatives of Key Management Personnel :

1 Mr. Kartik Mehra

2 Mr. Karan Mehra

3 Mrs. Neeru Mehra

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

(Amount in ₹)

VI. Transactions with Related Parties

Sl. No.	Type of Transactions	2016-17			2015-16		
		Subsidiaries/ Associates/JV	Key Mgt Personnel	Relatives of KMP	Subsidiaries/ Associates/JV	Key Mgt Personnel	Relatives of KMP
(a)	**Valued of Services Received**	**-**	**1,140,000**	**960,000**	**-**	**2,459,790**	**960,000**
	Directors Remuneration						
	- Prashant Mehra		-	-	-	1,311,290	-
	- Mahesh Mehra		1,140,000	-	-	1,140,000	-
	Sitting Fees						
	- Ramesh Mehra		-	-	-	8,500	-
	Salary						
	- Kartik Mehra		-	480,000	-	-	480,000
	- Karan Mehra		-	480,000	-	-	480,000
(b)	**Rent Paid**			**300,000**	-	-	**600,000**
	Rent						
	- Neeru Mehra			300,000			600,000
(c)	**Interest Paid**						
	Interest	**93,697**	-	-	-	-	-
	- Bengal KDC Housing Dev. Ltd.	93,697	-	-	-	-	-
(d)	**Investment in 10% Redeemable Non-Cumulative Preference Shares on conversion of advance**	-	-	-	**469,408,584**	-	-
	Bengal KDC Housing Dev. Ltd.	-	-	-	109,732,830	-	-
	Kaushalya Nirman (P) Ltd.	-	-	-	51,038,144	-	-
	Kaushalya Township (P) Ltd.	-	-	-	199,421,910	-	-
	Orion Abasaan (P) Ltd.	-	-	-	109,215,700	-	-
(e)	**Advances Given**	**97,074**	-	-	**2,751,814**	-	-
	Bengal KDC Housing Dev. Ltd.	97,074	-	-	500,600	-	-
	Kaushalya Nirman Pvt. Ltd.	-	-	-	1,854,964	-	-
	Kaushalya Township (P) Ltd.	-	-	-	95,000	-	-
	Orion Abasaan (P) Ltd.	-	-	-	236,459	-	-
	KIDCO NACC JV	-	-	-	64,791	-	-
(f)	**Advances Taken**	**5,642,338**	-	-	**11,319,795**	-	-
	Bengal Kaushalya Nirman Ltd.	5,642,338	-	-	6,054,877	-	-
	Kaushalya Nirman (P) Ltd.	-	-	-	144,600	-	-
	Kaushalya Township (P) Ltd.	-	-	-	5,114,318	-	-
	Orion Abasaan (P) Ltd.	-	-	-	6,000	-	-
(g)	**Balance Receivable as at 31.03.2017**	**1,476,403**	-	-	**4,421,532**	-	-
	Bengal KDC Housing Dev. Ltd.	-	-	-	2,945,129	-	-
	Azur Solar KDC (P) Ltd.	1,476,403	-	-	1,476,403	-	-
(h)	**Balance Payable as at 31.03.2017**	**11,938,847**	**2,849,549**	**2,223,322**	**9,338,712**	**1,832,309**	**1,469,822**
	KIDCO NACC JV	9,338,712	-	-	9,338,712	-	-
	Prashant Mehra	-	849,895	-	-	849,895	-
	Mahesh Mehra	-	1,999,654	-	-	982,414	-
	Neeru Mehra	-	-	540,00	-	-	540,000
	Karan Mehra	-	-	933,502	-	-	457,702
	Kartik Mehra	-	-	749,820	-	-	472,120
	Bengal KDC Housing Dev. Ltd.	2,600,135	-	-	-	-	-

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

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

(Amount in ₹)

Note 28: Earning Per Shares

Year Ended 31.03.2017

	Continuing Operations				Discontinuing Operations				Total Operations			
	Before Extraordinary and Exceptional Items		After Extraordinary and Exceptional Items		Before Extraordinary and Exceptional Items		After Extraordinary and Exceptional Items		Before Extraordinary and Exceptional Items		After Extraordinary and Exceptional Items	
	Basic	Diluted	Basic	Diluted	Basic	Diluted	Basic	Diluted	Basic	Diluted	Basic	Diluted
Face Value of Shares	10	10	10	10	10	10	10	10	10	10	10	10
Profit attributable to Eq. Shareholders	(40079163)	(40079163)	(40079163)	(40079163)	0	0	0	0	(40079163)	(40079163)	(40079163)	(40079163)
Weighted Average No. of Shares	34630630	34630630	34630630	34630630	34630630	34630630	34630630	34630630	34630630	34630630	34630630	34630630
EPS (Rs.)	**(1.16)**	**(1.16)**	**(1.16)**	**(1.16)**	-	-	-	-	**(1.16)**	**(1.16)**	**(1.16)**	**(1.16)**

Year Ended 31.03.2016

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

Note 29 : Deferred Tax Assets/ (Liability)

	31.03.2017		31.03.2016	
	Timing Difference		Timing Difference	
On Account of Depreciation				
- Net Block as per I T Act	15,144,493		17,596,844	
- Net Block as per Cos. Act	31,055,989	(15,911,496)	35,386,916	(17,790,072)
On Account of Employee Benefits		841,411		841,411
Effective Rate of Tax		(15,065,085)		(16,943,661)
Deferred Tax Asset/(Liability)		30.90%		30.90%
Less: Deferred Tax Liability b/f		(4,655,113)		(5,235,593)
Deferred Tax Provision		(5,235,593)		(5,717,507)
		(580,480)		**(481,915)**

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

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

(Amount in ₹)

Note 30: Interests in Joint Ventures

Name of the JV and country of origin	% of Share-holding	Amount of interest based on the accounts for the year ended 31st March, 2017					
		Assets	Liabilities	Income	Expenditure	Contingent Liabilities	Capital Commitments
New Asian Construction Co., India	90%	10,437,813	11,464,764	-	22,484	Nil	Nil
(Prev. Year)		(10,437,813)	(11,464,764)	-	(22,484)	(Nil)	(Nil)

Note 31: Details of Provisions

Particulars	For the year ended 31.03.2017		For the year ended 31.03.2016	
	Provision for Current Tax	Deferred Tax Liability	Provision for Current Tax	Deferred tax Liability
Balance at the beginning of the year	63,614,019	5,235,593	63,614,019	5,717,507
Provision made during the year	Nil	(580,480)	Nil	(481,915)
Paid/Adjusted during the year	599,160	Nil	Nil	Nil
Balance at the end of the year	63,014,859	4,655,113	63,614,019	5,235,593

Note 32: Details of Specified Bank Notes (SBN) held and Transacted During the Period 08/11/2016 to 30/12/2016 is as under:

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand on 08.11.2016	98,500	119,199	217,699
(+) Permitted receipts	-	856,030	856,030
(-) Permitted payments	-	398,533	398,533
(-) Amount deposited in Banks	98,500	-	98,500
Closing cash in hand as on 30.12.2016	**-**	**576,696**	**576,696**

Note 33: Other information:

a. The Company had filed a claim with their client NPCC Ltd. the client in turn raised the claim to their principal NTPC and entered into arbitration via P.M.A. The arbitration has awarded a claim of ₹ 8,55,23,452/- against a demand of ₹ 77,66,336/- and against this award the principal has appealed before the Secretary of the P.M.A. As per term the claim received by NPCC shall be passed on to the company after deduction of their margins as per MOU.

b. The Company had filed a claim with their client NHAI and which entered into arbitration. The arbitration has awarded a claim of ₹ 64,903,981/- plus interest. NHAI has appealed against the same in Kolkata High Court.

c. It is also observed that the company hasfewdebtors under dispute and in case where any order is received against the said claims, the company may prefer further appeal to the higher authority. The company has written off debtors amounting to ₹ 4,00,00,160/- against earlier provision for Doubtful Debts. Further based on review of debtors, the management of the company had thought it to be prudent and had decided to make further provision for Doubtful Debts to the tune of Rs.4 crores in the fourth quarter of current financial year keeping the overall provision atRs. 40 crores approx.

d. Bank Guarantees worth of ₹ 20,669,270/- had come up for renewal in the third quarter of the current financial year but due to Indian Overseas Bank having initiated legal proceedings for recovery against the company, the bank refused to

renew the same on old sanction terms and has encashed the said Bank Guarantees.

e. Bank statement obtained from State Bank of India showed a reversal of ₹ 122,304,085/- in the second quarter. However since no bank interest was charged to the Finance Charges Head during the nine months period, this reversal has also not been reflected in the books of account as it relates to the application filed by the bank with the Debt Recovery Tribunal.

f. The bankers of the Company i.e.State Bank of India and Indian Overseas Bank have sent Demand Notice/Notice U/s. 13(2) of SARFAESI Act calling up the entire loan with outstanding interest and have filed applications with Debt Recovery Tribunal. Management had approached the bankers for amicable resolution of the matter.Meanwhile Indian Overseas Bank has assigned their Financial Assets to Alchemist Asset Reconstruction Company Ltd. and intimation to this effect has been received by the company.

Note 34: Previous Year Figures

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

In terms of our report attached.

For Monu Jain & Company
Firm Regn. No. 327900E
Chartered Accountants
Monu Jain
Proprietor
Membership No. 302721
Place : Kolkata
Date : 30th May, 2017

For and on behalf of the Board of Directors

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

Independent Auditors' Report

To The Members of

KAUSHALYA INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated financial statements of **KAUSHALYA INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED** ("the Company), its Subsidiaries and Associates which comprise the Consolidated Balance Sheet as at 31st March 2017, the Consolidated Profit and Loss Statement, and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2017 and its consolidated profit and its consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

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

Independent Auditor's Report *(contd.)*

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

b) In our opinion, proper books of account as required by law relating to preparation of the consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, as applicable.

e) On the basis of the written representations received from the Directors of the Company as on March 31, 2017, taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the Directors of the Group companies, incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our report in "Annexure A", which is based on the Auditors' Reports of the Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Company and its subsidiary companies incorporated in India.

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

I. The Group has disclosed the impact of pending litigations on the consolidated financial position of the Group in its consolidated financial statements as of March 31, 2017.

II. The Group has made provisions in its consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses on long term contracts including derivative contracts.

III. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India.

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

Monu Jain
Proprietor
Membership No: 302721

Place: Kolkata
Date: 30th May, 2017

Annexure "A" Independent Auditor's Report *(contd.)*

Annexure 'A' to the Independent Auditors' Report

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of Kaushalya Infrastructure Development Corporation Limited ('the Company') and its subsidiary companies incorporated in India as at March 31, 2017 in conjunction with our audit of the consolidated financial statements of the Company for the year ended and as on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted

Annexure "A" Independent Auditor's Report *(contd.)*

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Company and its subsidiary companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company and its subsidiary companies incorporated in India considering the essential components of internal control stated in the Guidance Note.

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

Monu Jain
Proprietor
Membership No: 302721

Place: Kolkata
Date: 30th May, 2017

Consolidated Balance Sheet as at 31st March, 2017

(Amount in ₹)

Particulars	Note	As at 31st March, 2017	As at 31st March, 2016
EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	346,306,300	346,306,300
(b) Reserve & Surplus	4	(86,954,803)	(45,604,546)
		259,351,497	**300,701,754**
(2) Non-Current Liabilities			
(a) Deferred Tax Liabilities (Net)	29	4,655,112	5,235,592
(b) Other Long Term Liabilities	5	933,871	933,871
(c) Long Term Provisions	6	846,411	846,411
		6,435,394	**7,015,874**
(3) Current Liabilities			
(a) Short Term Borrowings	7	625,006,970	613,401,656
(b) Trade Payables	8	121,143,672	121,166,032
(c) Other Current Liabilities	9	120,196,532	125,394,627
(d) Short Term Provisions	10	63,450,195	64,049,355
		929,797,369	**924,011,670**
(4) Minority Interest		**1,199,762**	**1,328,428**
TOTAL		**1,196,784,022**	**1,233,057,727**
ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	11	31,630,142	36,200,836
(b) Non-Current Investments	12	529,763,390	528,781,440
(c) Long-Term Loans and Advances	13	203,674,721	151,528,379
(d) Other Non Current Assets	14	1,798,462	1,798,462
		766,866,715	**718,309,117**
(2) Current Assets			
(a) Inventories	15	4,854,085	5,447,345
(b) Trade Receivables	16	295,278,329	376,380,825
(c) Cash & Cash Equivalents	17	3,702,094	10,061,056
(d) Short Term Loans and Advances	18	125,866,141	122,702,684
(e) Other Current Assets	19	216,658	156,700
		429,917,308	**514,748,610**
TOTAL		**1,196,784,022**	**1,233,057,727**
See accompanying notes forming part of the financial statements	1-34		

In terms of our report attached.

For Monu Jain & Company
Firm Regn. No. 327900E
Chartered Accountants
Monu Jain
Proprietor
Membership No. 302721
Place : Kolkata
Date :30th May, 2017

For and on behalf of the Board of Directors

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

Consolidated Statement of Profit and Loss for the year ended 31st March, 2017

(Amount in ₹)

	PARTICULARS	Note	For the year ended 31st March, 2017	For the year ended 31st March, 2016
1	**Revenue from operations (gross)**	20	1,270,569	6,353,258
	Less: Service Tax		(4,400,160)	634,380
	Revenue from operations (net)		5,670,729	5,718,878
2	Other income	21	2,423,594	12,396,823
3	**Total revenue (1+2)**		**8,094,323**	**18,115,701**
4	**Expenses**			
	Cost of Material Consumed	22.a	1,029,404	17,222,368
	Changes in Inventories of finished goods, work-in-progress and stock-in-trade	22.b	-	-
	Employee benefits expense	23	3,102,125	6,339,804
	Finance costs	24	(4,001,781)	(335,157)
	Depreciation and amortisation expense	11	4,570,694	4,662,532
	Other expenses	25	4,313,068	138,265,889
	Provision for Doubtful Debts		40,000,000	400,000,000
	Total expenses		**49,013,510**	**566,155,435**
5	**Profit / (Loss) before tax (3 - 4)**		**(40,919,187)**	**(548,039,734)**
6	**Tax expense:**			
	Current tax expense for current year		-	-
	Current tax expense relating to prior years		1,295	2,292
	Deferred tax	30	(580,480)	(481,915)
			(579,185)	(479,623)
7	**Profit / (Loss) for the year (5 - 6)**		**(40,340,002)**	**(547,560,111)**
8	Less: Minority Interest		(128,665)	2,863
	Add: Share of Profit in Associate		1,461,215	8,097
9	**Profit / (Loss) for the year**		**(38,750,122)**	**(547,554,877)**
10	**Earnings per share (of ₹ 10/- each):**	29		
	(a) Basic		(1.16)	(15.81)
	(b) Diluted		(1.16)	(15.81)
	See accompanying notes forming part of the financial statements	1-34		

In terms of our report attached.

For Monu Jain & Company
Firm Regn. No. 327900E
Chartered Accountants
Monu Jain
Proprietor
Membership No. 302721
Place : Kolkata
Date :30th May, 2017

For and on behalf of the Board of Directors

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

Consolidated Cash Flow Statement for the year ended 31st March, 2017

(Amount in ₹)

Particulars	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		(40,919,187)		(548,039,734)
Adjustments for:				
Depreciation and amortisation	4,570,694		4,662,532	
Finance costs	(4,001,781)		(335,157)	
Interest income	(495,970)	72,943	(1,170,051)	3,157,323
Operating profit / (loss) before working capital changes		(40,846,244)		(544,882,410)
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Inventories	593,260		4,497,420	
Trade receivables	81,102,496		403,258,839	
Short-term loans and advances	(635,028)		11,911,041	
Long-term loans and advances	(15,869,342)		6,714,388	
Other current assets	(59,958)	65,131,428	(75,008)	426,306,680
Adjustments for increase / (decrease) in operating liabilities:				
Other long term liabilities	-		(99,100,000)	
Long term provisions	-		(1,000,000)	
Trade payables	(22,360)		(9,936,156)	
Other current liabilities	(5,198,095)		2,049,811	
Short-term provisions	-	(5,220,455)	-	(107,986,345)
Cash flow from extraordinary items		-		-
Cash generated from operations		19,064,729		(226,562,075)
Net income tax (paid) / refunds		(3,128,884)		(113,994)
Net cash flow from / (used in) operating activities (A)		**15,935,845**		**(226,676,069)**
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances		(36,277,000)		37,735,474
Proceeds from sale/transfer of Fixed Assets		-		115,994,373
Bank balances not considered as Cash and cash equivalents				
– Placed		-		-
– Matured		6,338,967		4,679,877
Purchase of long-term investments				
– Others		(981,950)		(375,063,101)
Loans & Advances given				
– Associates & Enterprise under significant infuence		-		170,859,021
– Joint Ventures		-		(6,479)
Interest received				
– Others		495,970		1,170,051
Adjustment for change in Subsidiaries to Associates		-		280,226,066
Net cash flow from / (used in) investing activities (B)		**(30,424,013)**		**235,595,282**

Consolidated Cash Flow Statement for the year ended 31st March, 2017 *(contd.)*

(Amount in ₹)

Particulars		For the year ended 31st March, 2017		For the year ended 31st March, 2016
C. Cash flow from financing activities				
Share issued to Minority Shareholders, Associates & Capital Reserve		(1,138,922)		(18,300,565)
Net increase / (decrease) in working capital borrowings		11,605,314		(1,307,998)
Finance cost		4,001,781		335,157
Cash flow from extraordinary items		-		-
Net cash flow from / (used in) financing activities (C)		**14,468,173**		**(19,273,406)**
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		**(19,995)**		**(10,354,193)**
Cash and cash equivalents at the beginning of the year		1,234,343		11,588,535
Cash and cash equivalents at the end of the year		1,214,348		1,234,343
Reconciliation of Cash and cash equivalents with the Balance Sheet:				
Cash and cash equivalents as per Balance Sheet (Refer Note 16)		3,702,094		10,061,056
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements				
Deposit pledged with bank as security against borrowings	2,487,746		8,826,713	
IPO refund account	-	2,487,746	-	8,826,713
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 16		**1,214,348**		**1,234,343**
Add: Current investments considered as part of Cash and cash equivalents (as defined in AS 3 Cash Flow Statements)		-		-
Cash and cash equivalents at the end of the year *		**1,214,348**		**1,234,343**
* Comprises:				
(a) Cash on hand		1,012,899		992,032
(c) Balances with banks				
(i) In current accounts		201,449		242,311
(ii) In deposit accounts with original maturity of less than 3 months		-		-
		1,214,348		**1,234,343**

Notes:

(i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.

(ii) These earmarked account balances with banks can be utilised only for the specific identified purposes.

See accompanying notes forming part of the financial statements

In terms of our report attached.

For and on behalf of the Board of Directors

For Monu Jain & Company
Firm Regn. No. 327900E
Chartered Accountants
Monu Jain
Proprietor
Membership No. 302721
Place : Kolkata
Date :30th May, 2017

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

Notes forming part of the Consolidated Financial Statements

Note 1: Corporate Information

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

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

Note 2: Significant Accounting Policies

2.1 Principles of Consolidation

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

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

ii. Interests in the assets, liabilities, income and expenses of the Joint Ventures are consolidated using proportionate consolidation method. Intra group balances, transactions and unrealized profit/loss are eliminated to the extent of the Company's proportionate share, except where cost cannot be recovered.

iii. The difference between the cost to the investment in Subsidiaries and Joint Ventures and the proportionate share in the equity of the investee company as at the date of acquisition of stake is recognized in the consolidated financial statements as Goodwill or Capital Reserve, as the case may be. Goodwill arising on consolidation is tested for impairment annually.

iv. Minorities' interest in net profits/Loss of consolidated subsidiaries for the year is identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Company. Their share of net assets is identified and presented in the Consolidated Balance Sheet separately. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of the contractual obligation on the minorities, the same is accounted for by the holding company.

v. Investments in Associates are accounted for using the equity method, under which the investment is initially recorded at cost, identifying any goodwill/ capital reserve arising at the time of acquisition. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of the Associate, after eliminating

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

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

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

vii. The financial statements of the entities used for the purpose of consolidation are drawn up to same reporting date as that of the Company i.e. year ended March 31, 2017.

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

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

Name of the company	**Country of Incorporation**	**Relationship**	**Percentage of Ownership Interest directly and indirectly**	
			31st March, 2017	31st March, 2016
Bengal Kaushalya Nirman Ltd.	India	Subsidiary	**51%**	51%
Bengal KDC Housing Development Ltd.	India	Subsidiary	**51%**	51%
Kaushalya Energy (P) Ltd.	India	Subsidiary	**95.50%**	95.50%
Azur Solar KDC Pvt. Ltd. (Subsidiary of Kaushalya Energy (P) Ltd.)	India	Step down Subsidiary	**55% of 99%**	55% of 99%
Kaushalya Township (P) Ltd.	India	Associates	**48.72%`**	48.72%`
Kaushalya Nirman (P) Ltd.	India	Associates	**46.00%**	46.00%
Orion Abasaan (P) Ltd.	India	Associates	**48.33%**	48.33%
KIDCO NACC – Consortium	Unincorporated	JV Entity	**90%**	90%

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

2.2 Basis of accounting and preparation of financial statements:

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

2.3 Use of estimates

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

2.4 Inventories

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

Work-in-progress is valued at cost.

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

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

2.6 Cash flow statement

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

2.7 Depreciation

i) Tangible Fixed Assets

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

2.8 Revenue recognition

Income from services

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

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

Contract Income

The company follows the policy of recognizing the revenue as soon as the work is completed, irrespective of the certification. However, whenever the work gets certified,

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

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

Income from Hotel

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

2.9 Other income

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

Hire Charges: Income from Hire Charges is recognizedon accrual basis.

2.10 Tangible Fixed Assets

Fixed assets are carried at cost less accumulated depreciation.The cost of fixed assets comprises its purchase price, directlyattributable expenditure on making the asset ready for itsintended use, other incidental expenses and interest onborrowings attributable to acquisition orconstruction ofqualifying fixed assets, up to the date the asset is ready for itsintended use. Subsequent expenditure on fixed assets after itspurchase/ completion is capitalised only if such expenditureresults in an increase in the future benefits from such assetsbeyond its previously assessed standard of performance.

2.11 Investments

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

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

2.12 Employee Benefits

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

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

2.13 Borrowing Costs

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

2.14 Segment reporting

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

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

a) Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities ofthe segment. Revenue and Expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".

b) Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments. Investments,tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basishave been disclosed as "Unallocable".

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

(Amount in ₹)

SEGMENTAL REPORTING AS PER AS 17 ISSUED BY THE ICAI

Particulars	2016-17			2015-16		
	Construction	Hotel	Total	Construction	Hotel	Total
Segment Revenue	7,390,437	2,066,722	9,457,159	16,761,157	1,515,167	18,276,324
Unallocable Revenue			181,139			1,016,849
Total Revenue	**7,390,437**	**2,066,722**	**9,638,298**	**16,761,157**	**1,515,167**	**19,293,173**
Segment Expenditures	48,310,642	1,699,866	50,010,507	565,846,041	1,333,362	567,179,403
Total Expenditures	**48,310,642**	**1,699,866**	**50,010,507**	**565,846,041**	**1,333,362**	**567,179,403**
Segment Results						
Segment Profit Before Tax	(40,920,205)	366,856	(40,372,209)	(549,084,884)	181,805	(547,886,230)
Unallocable Expenditures	-	-	546,978	-	-	153,504
Profit Before Tax			**(40,919,187)**			**(548,039,743)**
Less : Current Tax			-			-
Less : Current Tax for Prior years			1,295			2,292
Less : Deferred Tax			(580,480)			(481,915)
PAT(before adjustment for Minority Interest & Associates)			(40,340,002)			(547,560,111)
Less : Share of Profit t/f to Minority Interest			(128,665)			2,863
Add : Share of Profit from Associates			1,461,215			8,097
			(38,750,122)			**(547,554,877)**
Segment Assets	662,702,103	11,075,752	673,777,855	703,493,969	11,210,425	714,704,394
Unallocable Assets			523,006,168			518,353,334
Total Assets	**662,702,103**	**11,075,752**	**1,196,784,022**	**703,493,969**	**11,210,425**	**1,233,057,727**
Segment Liabilities	1,121,411,664	11,075,752	1,132,487,416	1,156,951,536	11,210,425	1,168,161,961
Unallocable Liabilities			64,296,606			64,895,766
Total Liabilities	**1,121,411,664**	**11,075,752**	**1,196,784,022**	**1,156,951,536**	**11,210,425**	**1,233,057,727**

2.15 Earnings per share

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

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

2.16 Taxes on income

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

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

2.17 Impairment of assets

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

2.18 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.Contingent assets are not recognised in the financial statements.The company has written off debtors amounting to ₹ 4,00,00,160/- against earlier provision for Doubtful Debts. Further based on review of debtors, the management of the company had thought it to be prudent and had decided to make further provision for Doubtful Debts to the tune of ₹ 4 crores in the fourth quarter of current financial year keeping the overall provision at Rs. 40 crores approx.

2.19 Service Tax Input Credits

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

2.20 Operating Cycle:

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

2.21 Advances to Subsidiaries & Associates:

The amount of ₹ 1,476,403/- in aggregate is standing as advance to its subsidiaries& step down subsidiaries at the balance sheet. The company has converted advance of ₹ 469,408,584/-, given to its subsidiaries & associates, into 10% Redeemable Non-cumulative Preference Shares of ₹ 10/- each during the previous year.

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

(Amount in ₹)

Note 3 : Share capital

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	Number of shares	₹	Number of shares	₹
(a) Authorised				
Equity shares of ₹ 10/- each with voting rights	35,000,000	350,000,000	35,000,000	350,000,000
	35,000,000	**350,000,000**	**35,000,000**	**350,000,000**
(b) Issued				
Equity shares of ₹ 10/- each with voting rights	34,630,630	346,306,300	34,630,630	346,306,300
	34,630,630	**346,306,300**	**34,630,630**	**346,306,300**
(c) Subscribed and fully paid up				
Equity shares of ₹ 10/- each with voting rights	34,630,630	346,306,300	34,630,630	346,306,300
Total	**34,630,630**	**346,306,300**	**34,630,630**	**346,306,300**

Refer Notes (i) to (iii) below

Notes:

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

Particulars	Opening Balance	Fresh Issue	Other Changes	Closing Balance
Issued, Subscried and Fully Paid-up				
Equity shares with voting rights				
Year ended 31 March, 2017				
- Number of shares	34,630,630	-	-	34,630,630
- Amount (₹)	346,306,300	-	-	346,306,300
Year ended 31 March, 2016				
- Number of shares	34,630,630	-	-	34,630,630
- Amount (₹)	346,306,300	-	-	346,306,300

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

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Class of shares / Name of shareholder				
Equity shares with voting rights				
Mahanti Engineers Pvt. Ltd.	5,082,600	14.68	5,082,600	14.68
Sunkissed Merchandise Pvt. Ltd.	5,022,900	14.50	5,022,900	14.50
Keleenworth Marketing Pvt. Ltd.	4,336,350	12.52	4,336,350	12.52
Total	**14,441,850**	**41.70**	**14,441,850**	**41.70**

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

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

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

(Amount in ₹)

Note 4: Reserves & Surplus

	Particulars	As at 31st March, 2017	As at 31st March, 2016
(a)	**Securities premium account**		
	Opening balance	479,384,836	479,384,836
	Add : Premium on shares issued during the year	-	-
	Less : Utilised during the year for:	-	-
	Closing balance	**479,384,836**	**479,384,836**
(b)	**Revaluation Reserve**		
	Opening balance	23,987,021	23,987,021
	Add: Addition on revaluations during the year	-	-
	Less: Utilised for set off against depreciation	-	-
	Closing balance	**23,987,021**	**23,987,021**
(c)	**General Reserve**		
	Opening balance	24,500,000	24,500,000
	Add: Transferred from surplus in Statement of Profit and Loss	-	-
	Less: Utilised / transferred during the year for:	-	-
	Closing balance	**24,500,000**	**24,500,000**
(d)	**Share in Reserves of Joint Ventures**	**(1,026,952)**	**(1,004,468)**
(e)	**Capital Reserve**		
	Balance as per Last Year	433,435	(1,350,857)
	Add/(Less) : Adjustment on conversion of subsidiary to associates/Goodwill	(2,577,651)	1,784,292
		(2,144,216)	**433,435**
(f)	**Surplus / (Deficit) in Statement of Profit and Loss**		
	Opening balance	(572,905,371)	(25,350,494)
	Add: Profit / (Loss) for the year	(38,750,122)	(547,554,877)
	Closing balance	(611,655,493)	**(572,905,371)**
	Total	**(86,954,803)**	**(45,604,546)**

Note 5: Other Long Term Liabilities

Particulars	As at 31st March, 2017	As at 31st March, 2016
Advances from Related Parties		
Joint Venture & Associates	933,871	933,871
Total	**933,871**	**933,871**

Note 6: Long Term Provisions

Particulars	As at 31st March, 2017	As at 31st March, 2016
Provision for Employee Benefits - Gratuity	846,411	846,411
Total	**846,411**	**846,411**

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

(Amount in ₹)

Note 7: Short Term Borrowings

Particulars	As at 31st March, 2017	As at 31st March, 2016
Loans repayable on demand		
(a) Cash Credit From banks		
Secured		
(i) State Bank of India*	292,643,320	292,643,320
(Secured by way of hypothecation of stock of raw material, work-in-progress, book debts and personal guarantee of directors and their relatives, collateral security of property of the company and group companies.)		
(ii) Indian Overseas Bank	323,711,297	315,249,078
(Secured by way of hypothecation of stock of raw material, work-in-progress, book debts and personal guarantee of directors and their relatives, collateral security of property of the company and group companies.)		
(b) Southern Lease Finance Ltd. *(Secured against Pledge of 74% existing stake held in subsidiaries & Associates)*	6,052,218	5,509,258
c) Bengal KDC Housing Development Ltd.	2,600,135	–
Total	**625,006,970**	**613,401,656**

** Also refer Note 32(e)*

Note 8: Trade Payables

Particulars	As at 31st March, 2017	As at 31st March, 2016
Trade Payables		
Acceptances	-	-
Other than Acceptances	121,143,672	121,166,032
Total	**121,143,672**	**121,166,032**

Note 9: Other Current Liabilities

Particulars	As at 31st March, 2017	As at 31st March, 2016
Statutory Remittances	13,961,801	19,159,896
Advances from customers/ contractors	106,234,731	106,234,731
Total	**120,196,532**	**125,394,627**

Note 10: Short Term Provisions

Particulars	As at 31st March, 2017	As at 31st March, 2016
Provision for Income-tax	63,014,859	63,614,019
Provision for FBT	435,336	435,336
Total	**63,450,195**	**64,049,355**

Note 11: Fixed Assets

(Amount in ₹)

Particulars	Gross Block				Depreciation				Net Block	
	As at 01.04.2016	Additions	Deductions	Total	Upto 31.03.2016	For the Year	Sales/ Adjustments	Total	As at 31.03.2017	As at 31.03.2016
TANGIBLE ASSETS										
(a) Buildings										
Own use	**9,993,919**	-	-	**9,993,919**	**2,144,274**	**154,053**	-	**2,298,328**	**7,695,591**	**7,849,645**
Construction	107,298	-	-	107,298	107,298	-	-	107,298	-	-
Site Building	107,298	-	-	107,298	107,298	-	-	107,298	-	-
Hotel	9,886,621	-	-	9,886,621	2,036,976	154,053	-	2,191,030	7,695,591	7,849,645
Building	9,886,621	-	-	9,886,621	2,036,976	154,053	-	2,191,030	7,695,591	7,849,645
(b) Plant and Equipment										
Owned	**65,467,460**	-	-	**65,467,460**	**38,198,342**	**4,037,728**	-	**42,236,070**	**23,231,390**	**27,269,118**
Construction	64,671,342	-	-	64,671,342	37,433,660	4,035,891	-	41,469,551	23,201,791	27,237,682
Plant & Machinery	61,604,246	-	-	61,604,246	34,366,564	4,035,891	-	38,402,455	23,201,791	27,237,682
JCB Excavator	3,067,096	-	-	3,067,096	3,067,096	-	-	3,067,096	-	-
Hotel	796,118	-	-	796,118	764,683	1,837	-	766,519	29,599	31,435
Plant & Machinery	796,118	-	-	796,118	764,683	1,837	-	766,519	29,599	31,435
(c) Furniture & Fixtures										
Owned	**6,655,032**	-	-	**6,655,032**	**5,665,686**	**320,278**	-	**5,985,964**	**669,068**	**989,346**
Construction	2,005,586	-	-	2,005,586	1,830,161	80,511	-	1,910,672	94,914	175,425
Hotel	2,757,046	-	-	2,757,046	2,757,046	-	-	2,757,046	-	-
Subsidiaries	1,892,400	-	-	1,892,400	1,078,479	239,767	-	1,318,246	574,154	813,921
(d) Vehicles										
Owned	**7,627,741**	-	-	**7,627,741**	**7,561,093**	**46,419**	-	**7,607,512**	**20,229**	**66,648**
Construction	7,616,183	-	-	7,616,183	7,549,535	46,419	-	7,595,954	20,229	66,648
Motor Car	3,402,899	-	-	3,402,899	3,351,106	44,511	-	3,395,617	7,282	51,793
Vehicles	4,177,289	-	-	4,177,289	4,177,289	-	-	4,177,289	-	-
Cycles	35,995	-	-	35,995	21,140	1,908	-	23,048	12,947	14,855
Hotel	11,558	-	-	11,558	11,558	-	-	11,558	-	-
Vehicles	11,558	-	-	11,558	11,558	-	-	11,558	-	-
(e) Office equipment										
Owned	**1,034,312**	-	-	**1,034,312**	**1,008,232**	**12,216**	-	**1,020,449**	**13,863**	**26,080**
Construction	997,762	-	-	997,762	971,682	12,216	-	983,899	13,863	26,080
Computer	997,762	-	-	997,762	971,682	12,216	-	983,899	13,863	26,080
Hotel	36,550	-	-	36,550	36,550	-	-	36,550	-	-
Computer	36,550	-	-	36,550	36,550	-	-	36,550	-	-
Total (Rs.)	**90,778,464**	-	-	**90,778,464**	**54,577,628**	**4,570,694**	-	**59,148,322**	**31,630,142**	**36,200,836**
Previous Year (Rs.)	**206,772,837**	-	**115,994,373**	**90,778,464**	**49,915,096**	**4,662,532**	-	**54,577,628**	**36,200,836**	**156,857,741**

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

(Amount in ₹)

Note 12: Non Current Investments

	FV	31-Mar-17		31-Mar-16	
		Nos.	₹	Nos.	₹
A. Trade Investments					
(a) Investment in Unquoted, fully paid-up Equity Shares of:-					
(i) Associates					
Kaushalya Township Pvt. Ltd.	10	317,357	15,508,794	317,357	15,507,850
Add: Share in profits for the year			2,010		944
			15,510,804		15,508,794
Kaushalya Nirman Pvt. Ltd.	10	46,000	1,944,753	46,000	1,942,065
Add: Share in profits for the year			4,209		2,688
			1,948,962		1,944,753
Orion Abasaan Pvt. Ltd.	10	29,000	1,095,074	29,000	1,090,609
Add: Share in profits for the year			1,454,996		4,465
			2,550,070		1,095,074
(ii) Others					
Balaji Turnkey Projects Solution (P) Ltd.	10	228,600	51,435,000	228,600	51,435,000
Enlightened Projects Ltd.	10	195,500	29,325,000	195,500	29,325,000
Orkay Engineering Ltd.	10	853,000	42,650,000	853,000	42,650,000
Flare Realty Engineering (P) Ltd.	10	2,600	26,000	2,600	26,000
Flare Realty Engineering (P) Ltd. (Held by Bengal KDC Housing Dev. Ltd.)	10	2,600	26,000	2,600	26,000
Kaushalya Township (P) Ltd. (Held by Bengal KDC Housing Dev. Ltd.)	10	176	8,800	176	8,800
Total		**1,674,833**	**143,480,636**	**1,674,833**	**142,019,421**
(b) Investment in 10% Reeemable Non-Cumulative Preference Shares of:					
Kaushalya Nirman Pvt. Ltd.	10	879,968	51,038,144	879,968	51,038,144
Kaushalya Township Pvt. Ltd.	10	3,498,630	199,421,910	3,498,630	199,421,910
Orion Abasaan Pvt. Ltd.	10	1,985,740	109,215,700	1,985,740	109,215,700
Total		**6,364,338**	**359,675,754**	**6,364,338**	**359,675,754**
(d) Investment in Land			26,607,000		26,607,000
			26,607,000		**26,607,000**
B. Other than Trade Investments					
Gold Coins [50 Gms. Each]		10	-	10	479,265
		10	**-**	**10**	**479,265**
Total			**529,763,390**		**528,781,440**
Aggregate value of unquoted Investments			**143,480,636**		**142,019,421**

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

(Amount in ₹)

Note 13: Long Term Loans and Advances

Particulars	As at 31st March, 2017	As at 31st March, 2016
Unsecured and considered good		
Capital Advances	38,777,000	2,500,000
Security Deposits & Earnest Money Deposits	157,553,149	141,683,807
Advance to Body Corporates	5,744,572	5,744,572
Advances to related parties		
Enterprises under significant Influence	-	-
Associates Companies	-	-
Advances to Others	1,600,000	1,600,000
Total	**203,674,721**	**151,528,379**

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

Particulars	As at 31st March, 2017	As at 31st March, 2016
Other officers of the Company	-	-
Total	-	-

Note 14: Other Non Current Assets

Particulars	As at 31st March, 2017	As at 31st March, 2016
Unamortised Expenses		
Preliminary Expenses	1,798,462	1,798,462
Total	**1,798,462**	**1,798,462**

Note 15: Inventories

Particulars	As at 31st March, 2017	As at 31st March, 2016
Raw Materials	748,075	1,333,760
Work in Progress		
Construction Work in Progress	4,104,085	4,104,085
Stores & Spares	1,925	9,500
Total	**4,854,085**	**5,447,345**

Note 16: Trade Receivables

Particulars	As at 31st March, 2017	As at 31st March, 2016
Unsecured, considered good		
Overdue for a period exceeding six months	621,041,804	623,136,690
Other Trade receivables	74,236,365	153,244,135
	695,278,169	776,380,825
Less: Provision for Doubtful Debts	399,999,840	400,000,000
Total	**295,278,329**	**376,380,825**

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

(Amount in ₹)

Note 17: Cash and Cash Equivalents

	Particulars	As at 31st March, 2017	As at 31st March, 2016
(a)	Cash on hand (as certified by the management)	1,012,899	992,032
(b)	Balances with banks		
	(i) In current accounts	201,449	242,311
	(iii In earmarked accounts (Refer Note (i) below)		
	Balances in Deposit Accounts held as margin money or security against borrowings, guarantees and other commitments (Refer Note (i) below)	2,487,746	8,826,713
	Share application money received for allotment of securities and due for refund	-	-
		3,702,094	**10,061,056**
	Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is	1,214,348	1,234,343

Notes:

(i) Includes deposits amounting to ₹ 25,000/- (As at 31 March, 2016 ₹ 7,073,057/-) which have an original maturity of more than 12 months.

Note 18: Short Term Loans and Advances

Particulars	As at 31st March, 2017	As at 31st March, 2016
Unsecured, considered good		
Advances to Suppliers & Subcontractors	1,473,169	357,604
Advances to Employees	76,927	202,463
Advance against Expenses	75,871	164,710
Balances with government authorities		
Income Tax Payments	124,240,175	121,711,746
Secured, considered good		
Prepaid Expenses	-	266,162
Total	**125,866,141**	**122,702,684**

Note 19: Other Current Assets

Particulars	As at 31st March, 2017	As at 31st March, 2016
Accruals		
Interest accrued on deposits	216,658	156,700
Total	**216,658**	**156,700**

Note 20: Revenue from Operations

Particulars	For the year Ended 31st March, 2017	For the year Ended 31st March, 2016
Sale of Services (Gross)		
Contract Receipts	747,822	6,015,563
Other Operating Revenues		
Profit from Hotel before depreciation & taxes(Refer Note 20A)	522,747	337,695
	1,270,569	6,353,258
Less: Service Tax	(4,400,160)	634,380
Total	**5,670,729**	**5,718,878**

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

(Amount in ₹)

NOTE 20A: Profit from Hotel Business

Particulars	For the Year Ended 31st March, 2017	For the Year Ended 31st March 2016
REVENUE FROM OPERATIONS		
Food Sale	437,024	371,184
Room Rent	1,076,048	856,783
Cultivation Income	553,650	287,200
Total (A)	**2,066,722**	**1,515,167**
EXPENDITURE		
Raw Food Purchased	319,599	258,299
Fuel (Cooking)	28,906	28,375
Repairs & Maintenance - Buildings	198,911	73,636
Transport Expenses	1,450	1,900
Stores	85,275	16,845
Employee Benefits		
Salary	96,267	99,900
Site Allowance	21,067	20,100
Administrative & Other Expenses		
Advertiesment	4,300	600
Bank Charges	4,083	3,290
Books & Periodicals	2,704	1,583
Electricity Charges	133,557	122,373
Cultivation Expenses	222,575	131,495
General Expenses	18,320	42,214
Gardening Expenses	43,517	39,244
Interest on Delay Payment of Vat	-	336
Insurance	9,344	11,800
Medical Expenses	-	150
Labour Charges incl. Allowances	202,701	204,200
Laundry Expenses	16,478	11,223
Postage/Fax/Courier	40	590
Printing & Stationery	5,395	4,021
Prior period	1,059	159
Rates & Taxes	5,550	8,750
Security Expenses	86,400	72,600
Subscription	10,835	8,351
Telephone Expenses	2,102	1,142
Travelling & Conveyance	23,541	14,296
Total (B)	**1,543,976**	**1,177,472**
Profit/(Loss) before Depreciation and Taxes(A-B)	**522,747**	**337,695**

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

(Amount in ₹)

Note 21: Other Income

Particulars	For the Year Ended 31st March, 2017	For the Year Ended 31st March 2016
Interest Income		
Interest from Bank on Deposits	495,970	1,170,051
Agricultural Income	312,000	-
Sundry Credit balance W/off	-	9,729,923
Hire Charges	390,000	480,000
Profit on Sale of Gold Coins	1,044,485	-
Miscellaneous Income	181,139	1,016,849
(Net of expenses directly attributable ₹ Nil Prev. Year ₹ Nil)		
Total	**2,423,594**	**12,396,823**

Note 22.a: Cost of Material Consumed

Particulars	For the Year Ended 31st March, 2017	For the Year Ended 31st March 2016
Opening stock	1,343,260	5,840,680
Add: Purchases	436,144	12,724,948
	1,779,404	18,565,628
Less: Closing stock	750,000	1,343,260
Cost of material consumed	**1,029,404**	**17,222,368**

Note 22.b: Changes in Inventories of Finished Goods, Work-in-Progress and Stock in Trade

Particulars	For the Year Ended 31st March, 2017	For the Year Ended 31st March 2016
Inventories at the beginning of the year:		
Work-in-progress	4,104,085	4,104,085
	4,104,085	**4,104,085**
Less: Inventories at the end of the year:		
Work-in-progress	4,104,085	4,104,085
	4,104,085	**4,104,085**
Net (increase) / decrease	–	–

Note 23: Employee Benefit Expenses

Particulars	For the Year Ended 31st March, 2017	For the Year Ended 31st March 2016
Salary, Allowances & Bonus	1,807,701	3,575,019
Directors' Remuneration	1,140,000	2,451,290
Contribution to PF, ESI & Other Funds	18,740	38,508
Staff Welfare	135,684	274,987
Employee Retirement Benefits	-	-
Total	**3,102,125**	**6,339,804**

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

(Amount in ₹)

Note 24: Finance Costs

Particulars	For the Year Ended 31st March, 2017	For the Year Ended 31st March 2016
(a) **Interest expense on:**		
(i) Borrowings	(4,586,806)	(1,679,491)
(ii)Delayed/Deferred payment of taxes	4,632	73,092
(b) **Other borrowing costs**	580,393	1,271,242
	(4,001,781)	**(335,157)**

Note 25: Other Expenses

Particulars	For the Year Ended 31st March, 2017	For the Year Ended 31st March 2016
Contract Operating Expenses		
Consumption of Stores & Spare Parts	52,439	126,921
Unrecoverable Works Contract	-	110,534,842
Hire Charges	37,750	17,860
Labour Charges & Allowances	188,588	4,940,230
Power & Fuel	26,532	244,937
Repairs & Maintenance- Machinery	33,531	388,000
Freight Charges	28,500	58,030
Works Contract Tax	12,225	397,586
	379,565	**116,708,406**
Administrative Expenses		
Rent	376,000	1,147,200
Rates & Taxes	800,285	704,987
Insurance	4,857	55,355
Consultancy & Professional Charges	1,379,143	1,262,401
Directors' Sitting Fee	163,000	147,500
Electricity Charges	149,393	264,692
Post, Telegraph, Telephone & Internet	129,337	307,909
Travelling & Conveyance	169,509	568,314
Printing & Stationery	250,346	620,524
Payment to Auditors		
- As Audit Fees	109,252	108,524
- As Tax Audit Fees	28,748	28,563
- For Certification	-	-
Prior Period Expenses	-	279,842
Miscellaneous Expenses	239,861	857,031
	3,799,731	**6,352,842**
Selling & Distribution Expenses		
Advertisement	127,172	131,185
Subscription	6,600	1,850
	133,772	**133,035**
Other Expenses		
Sundry Debit Balance W/Off	-	15,071,606
	-	**15,071,606**
Total	**4,313,068**	**138,265,889**

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

(Amount in ₹)

Note 26: Additional Information of the Financial Statements

Note26.1. Contingent Liabilities and Commitments to the extent not provided forAmount (₹)

Sl. No.	Particulars	As on 31.03.2017	As on 31.03.2016
1.	a. Performance guarantees issued by the banks to various Government Authorities, for which the Company has provided counter guarantee against which fixed deposit receipts have been pledged by the Company.	3,801,000	24,470,270
	b. Performance Guarantee issued on behalf of other company against which fixed deposit receipts have been pledged by the Company.	NIL	8,674,000
	c. Bank Interest Reversed	1,679,491	1,679,491
2.	Claims not acknowledged as debts		
	Income Tax Demand (Assessment Year 2005-06)	NIL	90,875
	Income Tax Demand (Assessment Year 2007-08)	2,846,864	2,846,864
	Income Tax Demand (Assessment Year 2009-10)	2,518,665	3,026,950
	Income Tax Demand (Assessment Year 2010-11)	3,761,030	3,761,030
	Income Tax Demand (Assessment Year 2011-12)	190,580	190,580
	Income Tax Demand (Assessment Year 2012-13)	5,142,880	5,142,880
	Income Tax Demand (Assessment Year 2013-14)	27,806,230	27,806,230
	Income Tax Demand (Assessment Year 2014-15)	47,552,070	NIL

Indian Overseas Bank has encashed Bank Guarantee worth ₹ 20 669,270 during the year

Note 26.2 : Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

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

Note 26.3 : Disclosures as per clause 32 of the listing agreement

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

The loans and advances in the nature of advances given by the company to its Subsidiariesand Associates, amounts to ₹ 1,476,403/-, in aggregate as on 31st March 2017. The details of the same have been provided below:

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

Sl. No.	Name of the Subsidiary	Balance as at 31.03.2017	Maximum Balance 2016-17	Balance as at 31.03.2016	Maximum Balance 2015-16
1	Bengal Kaushalya Nirman Ltd.	Nil	Nil	Nil	Nil
2	Bengal KDC Housing Development Ltd.	Nil	2,945,129	2,945,129	118,232,236
3	Kaushalya Energy (P) Ltd.	Nil	Nil	Nil	Nil
4	Kaushalya Nirman (P) Ltd.	Nil	Nil	Nil	51,038,180
5	Azur Solar KDC (P) Ltd.	1,476,403	1,476,403	1,476,403	1,476,403
6	Kaushalya Township (P) Ltd.	Nil	Nil	Nil	204,446,228
7	Orion Abasaan (P) Ltd.	Nil	Nil	Nil	108,990,241

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

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

(Amount in ₹)

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

Name of the subsidiary	As at 31 March, 2017	As at 31 March, 2016
	₹	₹
	Nil	Nil

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

Particulars	For the year Ended 31st March, 2017	For the Year Ended 31st March, 2016
Traveling and Conveyance	Nil	Nil
Loss in repayment of Term Loan	Nil	Nil

26.5 Details of consumption of imported and indigenous items

Particulars	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
	Amount (₹)	%	Amount (₹)	%
Indigenous				
Raw Material	1,029,404	100	17,222,368	100
Components	Nil	Nil	Nil	Nil
Spare Parts	52,439	100	126,921	100
Imported				
Raw Material	Nil	Nil	Nil	Nil
Components	Nil	Nil	Nil	Nil
Spare Parts	Nil	Nil	Nil	Nil

Note 26.6: Earning in foreign exchange (net of TDS): Nil

Note 26.7: Amount remitted in foreign currency during the year on account of dividend: Nil

Note 26.8: Current assets

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

a. Outstanding Sundry debtors:

Out of total Sundry Debtors (Net of Provision) of ₹ 266,874,367/-, an amount of ₹ 157,103,584/- is outstanding since long, and out of which several debtors are under dispute.

Note 26.9: Statutory Compliances

The following areas are of concern:

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

i. The company opted for the VCES, 2013 for the service tax payable corresponding to the period from April' 2009 to December' 2012. The total liability of the service tax for the said period stood to ₹ 15,943,004/-, payable in two equal installments on or before 31st Dec, 2013 and 30th June, 2014 respectively. The company has paid ₹ 7,972,657/- i.e 50% of declared liability till date. In the meantime, the Company has received a show cause cum demand notice from Service Tax Commissionerate, Kolkata for ₹ 42,184,307/- for the said period.After hearing of demand notice, Principal Commissioner of Service Tax -1, Kolkata issued an order on 29-09-16 levied demand of ₹ 89,684,638/- along with Tax, Interest & Penalty. The company preferred to go to CESTAT and filed Appeal thereon on 27-12-16. However, the hearing of the matter is still pending.

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

Note 26.10: Dilution of holding:

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

Note 26.11: Fixed Deposits:

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

Note 27: During the year borrowing cost is not capitalized.

Note 28: Related Parties*, Related Party Transactions and Balances receivable/payable as at the end of the year

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

I. Parties Where Control Exists

Subsidiaries

1 Bengal Kaushalya Nirman Ltd.

2 Bengal KDC Housing Development Ltd.

3 Kaushalya Energy (P) Ltd.

Step Down Subsidiaries

4 Azur Solar KDC (P) Ltd.

II. Joint Ventures

Jointly Controlled Entities

1 New Asian Construction Co.

III. Associates

1 Kaushalya Nirman Pvt Limited

2 Orion Abasaan Pvt Limited

3 Kaushalya Township Pvt Limited

IV Key Management Personnel :

1 Mr. Mahesh Mehra, Whole-time Director

2 Mr. Asoke Das, Independent Director

3 Mr. Anil Kumar Agarwal, Independent Director

4 Mrs. Minoti Nath, Woman Independent Director

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

a) Relatives of Key Management Personnel :

1 Mr. Kartik Mehra

2 Mr. Karan Mehra

3 Mrs. Neeru Mehra

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

(Amount in ₹)

VI. Transactions with Related Parties

Sl. No.	Type of Transactions	2016-17			2015-16		
		Other Parties	Key Mgt Personnel	Relatives of KMP	Other Parties	Key Mgt Personnel	Relatives of KMP
(a)	**Valued of Services Received**	**-**	**1,140,000**	**960,000**	**-**	**2,459,790**	**960,000**
	Directors Remuneration						
	- Prashant Mehra		-			1,311,290	
	- Mahesh Mehra		1,140,000			1,140,000	
	Sitting Fees						
	- Ramesh Mehra		-			8,500	
	Salary						
	- KartikMehra			480,000			480,000
	- Karan Mehra			480,000			480,000
(b)	**Rent Paid**			**300,000**	**-**	**-**	**600,000**
	Rent						
	- Neeru Mehra			300,000			600,000
(c)	**Advances Given**	**-**	**-**	**-**	**-**	**-**	**-**
(d)	**Advances Taken**	**-**	**-**	**-**	**-**	**-**	**-**
(e)	**Balance Receivable as at 31.03.2017**	**-**	**-**	**-**	**-**	**-**	**-**
(f)	**Balance Payable as at 31.03.2017**	-	-	-	-	-	-

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

Note 29: Earning Per Shares

Year Ended 31.03.2017

	Continuing Operations				Discontinuing Operations				Total Operations			
	Before Extraordinary and Exceptional Items		After Extraordinary and Exceptional Items		Before Extraordinary and Exceptional Items		After Extraordinary and Exceptional Items		Before Extraordinary and Exceptional Items		After Extraordinary and Exceptional Items	
	Basic	Diluted	Basic	Diluted	Basic	Diluted	Basic	Diluted	Basic	Diluted	Basic	Diluted
Face Value of Shares	10	10	10	10	10	10	10	10	10	10	10	10
Profit attributable to Eq. Shareholders	(40340002)	(40340002)	(40340002)	(40340002)	0	0	0	0	(40340002)	(40340002)	(40340002)	(40340002)
Weighted Average No. of Shares	34630630	34630630	34630630	34630630	34630630	34630630	34630630	34630630	34630630	34630630	34630630	34630630
EPS (₹)	(1.16)	(1.16)	(1.16)	(1.16)	-	-	-	-	(1.16)	(1.16)	(1.16)	(1.16)

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

(Amount in ₹)

Year Ended 31.03.2016

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

Note 30 : Deferred Tax Assets/ (Liability)

Particulars	31.03.2017		31.03.2016	
	Timing Difference		Timing Difference	
On Account of Depreciation				
- Net Block as per I T Act	15,144,493		17,596,844	
- Net Block as per Cos. Act	31,055,989	(15,911,496)	35,386,916	(17,790,072)
On Account of Employee Benefits		841,411		846,411
		(15,065,085)		(16,943,661)
Effective Rate of Tax		30.90%		30.90%
Deferred Tax Asset/(Liability)				
Less: Deferred Tax Liability b/f		(4,655,113)		(5,235,593)
Deferred Tax Provision		(5,235,593)		(5,717,507)
		(580,480)		(481,915)

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

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

(Amount in ₹)

Note 31: Interests in Joint Ventures

Name of the JV and country of origin	% of Share-holding	Amount of interest based on the accounts for the year ended 31st March, 2017					
		Assets	Liabilities	Income	Expenditure	Contingent Liabilities	Capital Commitments
New Asian Construction Co., India	90%	10,437,813	11,464,764	-	22,484	Nil	Nil
(Prev. Year)		(10,437,813)	(11,464,764)	-	(22,484)	(Nil)	(Nil)

Note 32: Details of Provisions

Particulars	For the year ended 31.03.2017		For the year ended 31.03.2016	
	Provision for Current Tax	Deferred Tax Liability	Provision for Current Tax	Deferred tax Liability
Balance at the beginning of the year	63,614,019	5,235,593	63,634,013	5,717,507
Provision made during the year	Nil	(580,480)	Nil	(481,915)
Paid/Adjusted during the year	599,160	Nil	19,994	Nil
Balance at the end of the year	63,014,859	4,655,113	63,614,019	5,235,593

Note 33: Other information:

a. The Company had filed a claim with their client NPCC Ltd. the client in turn raised the claim to their principal NTPC and entered into arbitration via P.M.A. The arbitration has awarded a claim of ₹ 8,55,23,452/- against a demand of ₹ 77,66,336/- and against this award the principal has appealed before the Secretary of the P.M.A. As per term the claim received by NPCC shall be passed on to the company after deduction of their margins as per MOU.

b. The Company had filed a claim with their client NHAI and which entered into arbitration. The arbitration has awarded a claim of ₹ 64,903,981/- plus interest. NHAI has appealed against the same in Kolkata High Court.

c. It is also observed that the company hasfewdebtors under dispute and in case where any order is received against the said claims, the company may prefer further appeal to the higher authority. The company has written off debtors amounting to ₹ 4,00,00,160/- against earlier provision for Doubtful Debts. Further based on review of debtors, the management of the company had thought it to be prudent and had decided to make further provision for Doubtful Debts to the tune of Rs.4 crores in the fourth quarter of current financial year keeping the overall provision atRs. 40 crores approx.

d. Bank Guarantees worth of ₹ 20,669,270/- had come up for renewal in the third quarter of the current financial year but due to Indian Overseas Bank having initiated legal proceedings for recovery against the company, the bank refused to renew the same on old sanction terms and has encashed the said Bank Guarantees.

e. Bank statement obtained from State Bank of India showed a reversal of ₹ 122,304,085/- in the second quarter. However since no bank interest was charged to the Finance Charges Head during the nine months period, this reversal has also not been reflected in the books of account as it relates to the application filed by the bank with the Debt Recovery Tribunal.

f. The bankers of the Company i.e.State Bank of India and Indian Overseas Bank have sent Demand Notice/Notice

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

U/s. 13(2) of SARFAESI Act calling up the entire loan with outstanding interest and have filed applications with Debt Recovery Tribunal. Management had approached the bankers for amicable resolution of the matter.Meanwhile Indian Overseas Bank has assigned their Financial Assets to Alchemist Asset Reconstruction Company Ltd. and intimation to this effect has been received by the company.

Note 34: Previous Year Figures

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

In terms of our report attached.

For **Monu Jain & Company**
Firm Regn. No. 327900E
Chartered Accountants
Monu Jain
Proprietor
Membership No. 302721
Place : Kolkata
Date : 30th May, 2017

For and on behalf of the Board of Directors

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

benchmark IN QUALITY ISO 9001

JAS-ANZ

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