

Annual Report 2011-2012



**BUILDING A BETTER
TOMMORROW**

Corporate Information

BOARD OF DIRECTORS

Mr. Ramesh Kumar Mehra

Chairman

Mr. Prashant Mehra

Managing Director

Mr. Mahesh Mehra

Whole-time Director

Mr. Parag Keshar Bhattacharjee

Independent Director

Mr. Rajesh Kumar Agarwal

Independent Director

Mr. Shankar Saraf

Independent Director

Mr. Sakti Pada Banerjee

Independent Director

COMPANY SECRETARY &

COMPLIANCE OFFICER

Mr. Tarkeshwar Singh

REGISTRAR AND SHARE TRANSFER AGENT

C B Management Services (P) Ltd.

P-22, Bondel Road

Kolkata - 700 019

Tel : 91-33-22806692/93/94/2486

Fax : 91-33-22870263

Website : www.cbmsl.com

STATUTORY AUDITORS

M/s. Sumanta & Co.

Chartered Accountants

71, B.R.B Basu Road

5th Floor, Block-C

Kolkata - 700001

BANKERS

Indian Overseas Bank

State Bank of India

REGISTERED OFFICE

HB 170, Sector III

Salt Lake

Kolkata - 700106

Tel : 91-33-2334 4166 / 148

Fax : 91-33-2334 4148

Website :

www.kaushalyainfrastructure.com

E mail :

info@kaushalyainfrastructure.com

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Notice

NOTICE is hereby given that the Twentieth Annual General Meeting of the Members of KAUSHALYA INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED will be held at Rabindra Okakura Bhavan, DD 27/A/1, Salt Lake, Kolkata- 700064 on Friday, the 21st day of December 2012, at 11:30 a.m. for the transaction of the following businesses :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2012, the Statement of Profit & Loss for the year ended on that date and the report of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Shankar Saraf, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Rajesh Kumar Agarwal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. Sumanta & Co., Chartered Accountants, as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION** :

Registered Office :
HB-170, Sector III, Saltlake
Kolkata - 700106
Dated : November 14, 2012

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.**
2. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of special business set out in item no- 5 is annexed hereto.
3. The instrument appointing Proxies should be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from December 17, 2012 to December 21, 2012 (both days inclusive).
5. Members/Proxies are requested to bring the attendance slips duly filled in along with copy of the Annual Report at the Meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Corporate members are required to send to the Company

"RESOLVED THAT pursuant provisions of Sections 198, 269 and 309 of the Companies Act, 1956 (the Act) read with Schedule XIII and all other applicable provisions, if any, of the Act (any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to such other consents and approval as may be necessary, Consent of the Company be and is hereby accorded to the appointment of Mr. Mahesh Mehra to hold office as a Whole-time Director of the Company for a period of five years w.e.f. 4th September, 2012 on terms and conditions (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the aforesaid period) as set out in the Agreement entered into between the Company and Mr. Mahesh Mehra, with an authority to the Board of Directors to alter and vary the terms and conditions of the said appointment during the continuance of the tenure on the recommendation of the Remuneration Committee and grant such further increases in remuneration from time to time as they may deem fit and agreed by Mr. Mahesh Mehra, within the limits specified in Schedule XIII of the Act, as may be amended from time to time."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to take such steps and do all such other acts, deeds and things as may be necessary or desirable to give effect to this resolution."

By Order of the Board
For Kaushalya Infrastructure Development Corporation Ltd.

Tarkeshwar Singh
Company Secretary

a duly certified Board Resolution, pursuant to Section 187 of the Companies Act, 1956, authorising their representative to attend and vote on their behalf at the Meeting.

8. Members are requested to send/notify the change of name, address, bank details, nomination, power of attorney, email address etc. to :
 - (a) the Company's Registrar and Share Transfer Agent, M/s. CB Management Services Private Limited, P-22, Bondel Road, Kolkata - 700019 in case of shares held in physical form.
 - (b) their respective Depository Participants, in case of shares held in electronic form.
9. No gift will be distributed at the Annual General Meeting.
10. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to send their queries to the Company at least ten days before the meeting so that the same could be complied in advance.
11. Additional information pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges in respect of the

Notice

persons seeking appointment/re-appointment as Director under item no. 2, 3 & 5 is annexed to the notice.

12. Since the securities of the Company are compulsorily tradable in electronic form, to ensure better investor service and elimination of risk of holding securities in physical form, it is required that the members holding shares in physical form, to get their shares dematerialised at the earliest.
13. **The ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent to the shareholders in Electronic Mode. To support this green initiative of the Government in full measure, the members who have not registered their e-mail addresses, so far, are requested to register their e-mail address in respect of electronic holdings with the Depository through their concerned Depository Participants (DP). Members who hold shares in physical form are requested to submit their e-mail address to info@kaushalyainfrastructure.com. We are sure you would appreciate the "Green Initiative" taken by MCA and solicit your patronage and support to participate in such initiative.**

EXPLANATORY STATEMENT

Pursuant to Section 173(2) of the Companies Act, 1956 Item No. 5

Mr. Mahesh Mehra is one of the promoter Director and is associated with the Company since inception. The expertise and knowledge of Mr. Mahesh Mehra specially in construction industry helped in the overall development of the Company. Your Directors feels that Mr. Mahesh Mehra be appointed as Whole-time Director of the Company. Accordingly subject to the approval of the members in the ensuing Annual General Meeting, the Board of Directors of your Company at its meeting held on 4th September, 2012 has appointed Mr. Mahesh Mehra as a Whole-time Director of the Company for a period of 5(five) years w.e.f. 04.09.2012 on the terms and conditions mentioned in the Agreement dated 4th September, 2012, based on the recommendation of the Remuneration Committee.

The material terms and remuneration payable in terms of Agreement dated 4th September, 2012 are here as under:

- (a) **Tenure** - 4th September, 2012 to 3rd September, 2017
- (b) **Remuneration** - Salary of 95,000 (Rupees Ninety Five Thousand only) per month with an authority to the Board to grant such further increases from time to time as they may deem fit, within the limits specified in Schedule XIII Part II of the Act, as may be amended from time to time.

Registered Office :
HB-170, Sector III, Saltlake
Kolkata - 700106
Dated : November 14, 2012

Perquisites : Perquisites applicable to the Whole-time Director are as follows :

- I. Leave : Mr. Mahesh Mehra will be entitled to leave as per applicable rule of the Company.
- II. Leave Encashment: As per applicable rule of the Company
- III. Company's contribution to Provident Fund and Gratuity which shall not be included in the computation of limits for remuneration or perquisites.

However, in case of absence or inadequacy of net profits in any financial year, the remuneration payable to Mr. Mahesh Mehra shall be restricted to Part II Section II [1A] of Schedule XIII of the Act.

(c) General

- I. The Whole-time Director shall subject to the provisions of Companies Act, 1956, the Articles of Association of the Company and to the terms of Agreement with the Board of Directors shall have the whole, or substantially the whole of the management, control and superintendence for the affairs of the Company
- II. He shall not be paid any sitting fee for attending meeting of the Board or Committee(s) thereof.
- III. Subject to the provisions of the Companies Act, 1956 each party has the right of terminating the appointment upon giving two months notice in writing.
- IV. If at any time Mr. Mehra ceases to be the Director of the Company for any cause whatsoever, he shall cease to be the Executive Director of the Company.

An abstract, pursuant to Section 302 of the Companies Act, 1956 setting out the material terms of appointment and remuneration payable to Mr. Mahesh Mehra as provided in the agreement dated 04.09.2012 has already been circulated to the members in September, 2012.

The relevant agreement entered by the Board is available for inspection of the members of the Company at the Registered Office of the Company on any working day during business hours.

None of the Directors of the Company except Mr. Mahesh Mehra himself and Mr. Ramesh Kumar Mehra being his relative are concerned or interested in the resolution.

Your Directors recommend this resolution as set out in item no. 5 of the notice for your approval by way of an Ordinary Resolution.

By Order of the Board
For Kaushalya Infrastructure Development Corporation Ltd.

Tarkeshwar Singh
Company Secretary

Notice

Annexure

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

Particulars	Mr. Shankar Saraf	Mr. Mahesh Mehra	Mr. Rajesh Kumar Agarwal
Date of Birth	March 12, 1977	November 17, 1955	April 09, 1971
Date of Appointment	May 29, 2007	June 04, 1992	May 19, 2006
Educational Qualification	FCA, ACS & Diploma in Information System Audit.	Under Graduate	B.com (Hons), FCA, DISA
Expertise in specific functional areas	He is a Practicing Chartered Accountant for last 11 years and is a member of Direct Taxes Professional Association and member of all India Federation of Tax Practitioners. He has intensive experience in corporate Finance & Accounts, Taxation, Auditing and Commercial matters.	He is Director of Company since last 20 Years and has wide experience in the field of Infrastructure development & Construction.	He is the Practicing Chartered Accountant by profession. He has wide range experience in Corporate Finance and Tax, Corporate Laws, Mergers and Acquisitions, Consultancy, etc.
Directorship in other Companies as on March 31, 2012	<ol style="list-style-type: none"> 1. Sagun Shree Buildcon Pvt. Ltd. 2. Omkar Infracon Pvt. Ltd. 3. Shree Shyam Infranirmaan Pvt. Ltd. 4. Salasar Infranirmaan Pvt. Ltd. 5. Jai Mata Infracon Pvt. Ltd. 6. Omkar Infranirmaan Pvt. Ltd. 7. Subhshree Grihnirman Pvt. Ltd. 8. Smart Money Financial Consultants Pvt. Ltd. 9. Omkar Movers Pvt. Ltd. 	<ol style="list-style-type: none"> 1. Keleenworth Marketing Pvt. Ltd. 2. Trimurti Components Pvt. Ltd. 	<ol style="list-style-type: none"> 1. Isotech Tie-up Pvt. Ltd. 2. RGF Fincon Pvt. Ltd. 3. Nagancheji Credit Pvt. Ltd. 4. Sumeru Vanijya Pvt. Ltd. 5. Heera Commodities & Derivatives Pvt. Ltd. 6. Hanumanji Housing Pvt. Ltd. 7. Everest Commerce Pvt. Ltd. 8. Royal Dealers Pvt. Ltd. 9. Bajrang Conclave Pvt. Ltd. 10. Roopkala Abasan Pvt. Ltd. 11. Aayush Motar Finance Pvt. Ltd. 12. Ridhiraj Dealers Pvt. Ltd. 13. Remind Commercial Pvt. Ltd. 14. Paramdham Dealers Pvt. Ltd.
Membership/Chairmanship in other Public Companies (only in Audit and Shareholders/Investor Grievance Committee) as on March 31,2012	NIL	NIL	NIL
Number of shares held as on March 31, 2012	NIL	48110	NIL

Directors' Report

Dear Shareholders,

Your Directors are pleased to present the 20th Annual Report and the Audited Accounts for the financial year ended March 31, 2012.

FINANCIAL PERFORMANCE

The Financial performance of the Company, for the year ended March 31, 2012 is summarized below : (₹ In Lacs)

	STANDALONE				CONSOLIDATED			
		31.03.12		31.03.11		31.03.12		31.03.11
Contract Revenue & Other Income		10407.94		9255.07		10407.94		9255.07
Profit before Depreciation, Interest & Tax		1187.85		1000.39		1183.00		995.45
Less : Depreciation	41.34		45.21		42.54		47.60	
Interest	684.75	726.09	462.85	508.06	685.51	728.05	462.85	510.45
Profit before Tax		461.76		492.33		454.95		485.00
Less : Provision for Tax								
Current Tax	116.68		128.30		114.86		128.30	
Deferred Tax	33.05		33.78		33.05		33.78	
Fringe Benefit Tax	—		—		—		—	
Income Tax for Earlier Year	—	149.73	43.93	206.01	—	147.91	43.93	206.01
Net Profit After Tax		312.03		286.32		307.04		278.99
Less : Minority Interest		N.A		N.A		(1.29)		(2.12)
Net Profit After Minority Interest		N.A		N.A		308.33		281.11
Balance b/f from previous year		1783.57		1497.25		1765.21		1484.10
Balance available for appropriations		2095.60		1783.57		2073.54		1765.21
APPROPRIATIONS								
Transfer to General Reserve		0.00		0.00		0.00		0.00
Balance Carried to Balance Sheet		2095.60		1783.57		2073.54		1765.21

OPERATIONS REVIEW

During the year under review on a Stand alone basis your Company has achieved total income from operation of ₹ 10407.94 Lacs as against ₹ 9255.07 Lacs in the previous year. The profit before depreciation, interest and tax for the year stood to ₹ 1187.85 Lacs as compared to ₹ 1000.39 Lacs in previous year registering a growth of 18.74%.

On Consolidated basis, during the year under review the Total Income of the Company stood to ₹ 10407.94 Lacs as against ₹ 9255.07 Lacs in the previous year. The profit before tax increased to ₹ 1183.00 Lacs from ₹ 995.45 Lacs registering a growth of 18.84%.

DIVIDEND

The Directors of your Company do not recommend any dividend on the Equity Shares for the year under review.

PUBLIC DEPOSIT

During the year under review, your Company has not accepted any deposits from the public.

SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS :

As stipulated in Clause 41 of the Listing Agreement entered into with the stock exchanges, your Company has prepared Consolidated Financial Statements in accordance with the relevant Accounting Standards (AS-21) issued by the Institute of Chartered Accountants of India (ICAI). The Audited Consolidated Financial Statements along with the Auditors Report thereon form part of the Annual Report.

The Ministry of Company Affairs has granted a general exemption to Companies, by General Circular No-2/2011 dated 08.02.2011 under section 212(8) of the Companies Act, 1956, from attaching individual accounts of the subsidiaries with their annual report.

Directors' Report

Accordingly the Board of Directors of the Company has, by resolution, given consent for not attaching the accounts of its subsidiary in the annual report of the Company for the financial year ended 31st March, 2012. The financial data of the subsidiary forms part of the Annual Report.

The Company will make available documents/details of the subsidiary Company upon request by any member or investor of the Company/subsidiary Company. The Annual accounts of the subsidiary Company will be kept open for inspection by any investor at the corporate office of the Company and also that of the subsidiary Company.

DIRECTORS

Mr. Shankar Saraf and Mr. Rajesh Kumar Agarwal retire by rotation and being eligible, offer themselves for re-appointment.

Mr. Pradip Agarwal has resigned from the Directorship of the Company with effect from 23rd January, 2012. Your Board of directors recorded its appreciation for the valuable services rendered by Mr. Pradip Agarwal to the Company.

Mr. Sidh Nath Mehra, Whole-time Director of Company ceased to be the Director of Company due to sad demise on 1st July, 2012. The Board of Directors, Management and staff of the Company express their heartfelt condolence for the sad demise and the Directors of your Company recorded their appreciation for the valuable contribution made by him to the Company during his tenure as a Whole-time Director of Company.

Based on the recommendation of the Remuneration Committee and subject to the approval of the members in the ensuing Annual General Meeting, Mr. Mahesh Mehra, Non Executive Director of Company has been appointed as a Whole-time Director of Company for a period of 5 (five) years w.e.f 4th September, 2012.

None of the Directors of the Company are disqualified for being appointed as Directors, as specified in Section 274(1) (g) of the Companies Act, 1956. As required under Clause 49 of the Listing Agreement the additional information on the Directors seeking appointment/re-appointment is annexed to the notice.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Board of Directors of the Company hereby confirms that:

- i. in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed and no material departure have been made from the same;
- ii. the directors have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company

as at 31st March, 2012 and of the profit of the Company for the financial year ended on that date;

- iii. the directors have taken proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv. the Directors have prepared the annual accounts of the Company on a 'going concern' basis.

AUDITORS & AUDITOR'S REPORT

The Auditor M/s. Sumanta & Co., Chartered Accountants, retires at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. They have confirmed that if reappointed, their appointment will be within the limits under section 224(1B) of the Companies Act, 1956 .

There are no qualifications or adverse remarks in the Auditors' Report which require any clarification/explanation. The Notes to accounts referred to in the Auditors' Report are self-explanatory, and therefore, do not call for any further comments/explanation.

PARTICULARS OF EMPLOYEES

During the year under review, no employee of your Company was in receipt of remuneration in excess of the limits specified under the provision of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975.

MANAGEMENT DISCUSSION & ANALYSIS AND CORPORATE GOVERNANCE REPORT

As per Clause 49 of the Listing Agreement with the Stock Exchanges, the report on Corporate Governance along with the certificate from the Auditor of the Company and the Management Discussion & Analysis forms part of this Annual Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

ACKNOWLEDGEMENT

Your Directors would like to record its appreciation for the cooperation and support received from Government Agencies, Central Government and State Government, Banks, Shareholders, Employees, and all who have directly or indirectly contributed in success of your Company.

Place : Kolkata
Date : November 14, 2012

For and on behalf of the Board
Ramesh Kumar Mehra
Chairman

Report on Corporate Governance

1. COMPANY 'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company has always believed in good Corporate Governance which involves transparency, accountability, integrity and fairness in all facts of its operations and in all its transactions with the shareholders, employees, lenders and the Government.

2. BOARD OF DIRECTORS

As on March 31, 2012, the Board of the Directors comprised of 8 (Eight) Directors of which 2 (Two) were Non-Executive Directors, 4 (Four) were Non-Executive / Independent Directors, One was Executive Director, and One was Managing Director & CEO of the Company.

As mentioned in the Annual Report for the year 2009-10, your Company appointed Mr. Pradip Kumar Agarwal as a Non-Executive Independent Director on the Board with effect from May 13, 2010, In January 2012 he gave his resignation letter due to personal reason to resigned form the above post and Board of Director in its Meeting held on 23rd January, 2012 accept his resignation with effect from 23.01.2012 from the post of Independent Director.

Post 31st March, 2012 the following changes took place in the composition of the Board of the Company:

- Mr. Sidh Nath Mehra ceased to be Director of Company due to sad demise on 1st July, 2012.
- Mr. Mahesh Mehra has been appointed as Whole-time Director w.e.f. 4th September, 2012 subject to approval in Annual General Meeting.

After the aforesaid changes as on the date of this report the Board comprises of 7 (Seven) Directors, out of which Chairman is a Non Executive-Promoter-Director. The Board has 5 (Five) Non Executive Director including Chairman (of which 4 are Independent Directors) and 2 (Two) are Executive Director. The composition of the Board during the financial year was in conformity with Clause 49 of the Listing Agreement entered into with the Stock Exchanges as on the date of the report.

None of the Directors on the Board is a member of more than 10 Committees or Chairman of more than 5 Committees across all the Public Companies in which he is a Director. The necessary disclosures regarding other directorships and committee memberships have been made by all the Directors.

3. NUMBER OF BOARD MEETINGS

During the year ended March 31, 2012, 7 (Seven) meetings of the Board of Directors were held on the following days and the maximum time gap between 2 (Two) meetings did not exceed 4 (Four) months:

Sl. No.	Date on which Board meetings were held	Sl. No.	Date on which Board meetings were held
1	May 13, 2011	5	November 21, 2011
2	August 11, 2011	6	January 23, 2012
3	August 31, 2011	7	February 14, 2012
4	November 14, 2011		

Board Meetings are held at the registered office of the Company. The Agenda along with explanatory notes, wherever necessary are sent in advance to the Directors to get their input in the discussion. The information as required under Annexure IA of Clause 49 is being made available to the Board. The Board periodically reviews compliance reports of all laws applicable to the Company. Steps are taken by the Company to rectify the instances of non-compliance, if any.

The details composition of Board of Directors, their attendance at the Board Meetings held during the year and at last Annual General Meeting and also number of directorships and Chairmanships/Memberships of Committees of each director held in other Public companies as at March 31, 2012 are as follows :

Report on Corporate Governance

Name of Director	Category of Directorship	Board Meetings attended during 2011-12	Attendance in last AGM	No. of Directorships held in other Companies#	No. of Committee positions held in other Public Companies as ##	
					Chairman	Member
*Mr. Ramesh Kumar Mehra	Non-Executive Chairman/Director	6	Yes	3	–	–
*Mr. Prashant Mehra	Managing Director	7	No	3	–	–
*Mr. Sidhnath Mehra \$	Whole-time Director	7	Yes	1	–	–
*Mr. Mahesh Mehra %	Non-Executive Director	7	Yes	0	–	–
Mr. Rajesh Kumar Agarwal	Independent and Non-Executive Director	4	Yes	0	–	–
Mr. Parag Keshar Bhattacharjee	Independent and Non-Executive Director	2	No	13	2	3
Mr. Shankar Saraf	Independent and Non-Executive Director	5	No	0	–	–
Mr. Sakti Pada Banerjee	Independent and Non-Executive Director	5	No	1	–	–
Mr. Pradip Kumar Agarwal @	Independent and Non-Executive Director	0	Yes	0	–	–

NOTES :

- # Other Directorship does not include alternate directorship, directorship of private companies, Section 25 companies and of other companies incorporated outside India.
- ## Includes the Membership/Chairmanship of only Audit Committee and Shareholders' Grievance Committee.
- @ Mr. Pradip Kumar Agarwal has resigned from the Directorship of Company w.e.f. 23rd January, 2012.
- * In terms of clause 49(IV)(G)(ia), it is hereby disclosed that Mr. Ramesh Kumar Mehra is the father of Mr. Prashant Mehra and brother of Mr. Sidhnath Mehra and Mr. Mahesh Mehra. Other than this, none of the other Directors are in any way related to any other Director as per Section 6 of the Companies Act, 1956.
- \$ Mr. Sidh Nath Mehra ceased to be Director of Company due to sad demise on 1st July, 2012.
- % Mr. Mahesh Mehra has been appointed as Whole-time Director (Executive) w.e.f. 4th September, 2012

4. CODE OF CONDUCT

The Code of Conduct is available on the Company's website i.e. www.kaushalyainfrastructure.com and is applicable to all Directors and Senior Management Personnel of the Company. The Board and Senior Management Personnel have affirmed the compliances of the said Code of Conduct.

Declaration

In accordance with the Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel of the Company have affirmed compliances with the Code of Conduct of the Company for the year ended 31st March, 2012.

Kolkata, 14th November, 2012.

Prashant Mehra
Managing Director

Report on Corporate Governance

DIRECTORS WITH MATERIALLY PECUNIARY OR BUSINESS RELATIONSHIP WITH THE COMPANY

There have been no materially relevant pecuniary transactions or relationship between the Company and its non-executive and / or independent Directors for the year 2011-12.

5. COMMITTEES OF THE BOARD

◆ AUDIT COMMITTEE

Pursuant to the provisions of Section 292(A) of the Companies Act, 1956 and Clause 49 of the Listing Agreement, your Company has a qualified and independent Audit Committee comprising of three Directors of which two are Independent Directors. Mr. Rajesh Kumar Agarwal, a senior member of Institute of Chartered Accountants of India, having a sound accounting and financial background, is the Chairman of the Committee who also attended last Annual General Meeting of the company to provide clarification to the members on the matters relating to accounts and finance. Other members being Mr. Shankar Saraf, also a senior member of Institute of Chartered Accountants of India and Mr. Prashant Mehra, the Managing Director of the Company. The Company Secretary of the Company acts as the Secretary of the Committee. The Head of Finance Department and the statutory auditors are usual invitees to the Audit Committee Meeting. All other Functional Managers are invited to attend the meeting, as and when necessary. The broad terms and reference of Audit Committee are to review the annual/quarterly financial statements before submission to the Board, to recommend the appointment/re-appointment and the remuneration of Statutory Auditor, approval of appointment of CFO, to ensure that the disclosure of the financial information presented to the Board is sufficient and correct, to review reports of the Statutory Auditors and other matters as setout in the Listing Agreement.

During the year under review 5 (Five) Audit Committee Meetings were held on May 13, 2011, August 11, 2011, August 31, 2011, November 14, 2011 and February 14, 2012.

The composition of Audit Committee and the attendance of members during these meetings are as follows:

Name	Designation	Status of Members	No. of meetings attended
Mr. Rajesh Kumar Agarwal	Chairman	Independent & Non-Executive	5
Mr. Prashant Mehra	Member	Executive	5
Mr. Shankar Saraf	Member	Independent & Non-Executive	5

◆ SHAREHOLDERS' GRIEVANCE COMMITTEE

The Investor Grievance Cum Share Transfer Committee was constituted to specifically look into the redressal of investors' complaints like transfer of shares, non-receipt of balance sheet and non-receipt of declared dividends, etc. The Investor Grievance Cum Share Transfer Committee consists of three Directors, out of which two are Non-Executive Directors and one is an Executive Director. The Chairman of the Committee is an Independent Director.

The broad terms of reference includes the following :

- Redressal of shareholder and investors' complaints including but not limited to transfer of shares and issue of duplicate share certificates, non-receipt of balance sheet and non-receipt of declared dividends, etc.
- Monitoring transfers, transmissions, dematerialisation, rematerialisation, splitting and consolidation of shares issued by the Company.

During the year under review, the Committee has met once on 18th February, 2012.

The composition of the committee and the attendance of the members in the meeting are given hereunder:

Name of the Member	Designation	Category	No. of meetings attended
Mr. P.K Bhattacharjee	Chairman	Independent/Non-Executive	1
Mr. Mahesh Mehra@	Member	Non-Executive	0
Mr. Sidh Nath Mehra#	Member	Executive	1
Mr. Ramesh Kumar Mehra*	Member	Non-Executive	0

Mr. Sidh Nath Mehra ceased to be member of the committee due to sad demise on 1st July, 2012.

@ Mr. Mahesh Mehra has been appointed as Executive Director of Company w.e.f. 4th September, 2012

* Mr. Ramesh Kumar Mehra has been appointed as member of the committee w.e.f. 4th September, 2012.