

# ANNUAL REPORT 2014-15

**"KALYANPUR"**

**Cements Limited**

**Board of Directors**

Late Satyadeva P. Sinha, Executive Chairman  
(Upto 10.04.2014)

Dr. K.C.Varshney Non-Executive Chairman  
(w.e.f. 25.07.2014)

Sri Shailendra P. Sinha, Managing Director

Sri Anant P.Sinha, Joint Managing Director

Sri D.N.Bhandari (Upto 22.05.2014)

Sri B.C.Srivastava

Sri Mahendra Lodha

Sri Ravindra Prasad

Smt. Lata Ajay Srivastava (w.e.f. 26.3.2015)

**1. Auditors**

M/s M. Mukerjee & Co.

**2. Internal Auditors**

M/s B. Gupta & Co.

**3. Cost Auditors**

M/s Mitra, Bose & Associates

**Audit Committee**

Sri B.C.Srivastava, Chairman

Dr.K.C.Varshney, Member

Sri Mahendra Lodha, Member

**Stakeholders' Relationship Committee**

Sri Ravindra Prasad, Chairman

Sri B.C.Srivastava, Member

Sri Shailendra P.Sinha, Member

**Nomination and Remuneration Committee**

Sri B.C.Srivastava, Chairman

Dr.K.C.Varshney, Member

Smt. Lata Ajay Srivastava, Member

**Senior Management**

Sri Siddharth Prakash Sinha, Executive Director

Sri Aditya Prakash Agarwal, President (Manufacturing)

Sri Faisal Alam, President (Sales & Marketing)

Sri P.K.Chaubey, Chief Financial Officer & Co. Secretary

**Registered Office**

2 & 3, Dr. Rajendra Prasad Sarani, Kolkata- 700 001 West Bengal

**Corporate Office**

Maurya Centre, 1, Fraser Road, Patna-800 001, Bihar

**Factory**

Banjari, Distt. Rohtas - 821 303, Bihar

**DIRECTORS' REPORT****FOR THE YEAR ENDED 31ST March, 2015**

Your Directors submit herewith their report together with the Audited Accounts for the year ended 31st March, 2015. The following are the financial highlights in respect of the said Financial Year.

**1.0 FINANCIAL RESULTS**

Rs. in lacs

	Year ended 31.3.2015	Year ended 31.3.2014
Total Turnover including other Income	19885.83	25665.92
1. Loss before interest, depreciation, tax and Other appropriations	1787.88	542.02
2. Less:		
i) Financial Costs	1195.77	1808.92
ii) Depreciation	487.19	768.34
3. Net Loss	3470.84	3119.28
4. Loss carried to Balance Sheet	3470.84	3119.28

**2.0 OVER VIEW & PRODUCTION**

Due to various economic factors, the Indian Economy witnessed sluggish growth in last 3-4 years when the GDP growth was in the region of 4.5% to 5.5%. The financial year under report however took off well as the Cement Production grew at a reasonable pace during April-November 2014 although the growth could not be sustained and the subsequent months witnessed marginal increase or decline in cement demand resulting from reduction in Government expenditure on infrastructure to contain fiscal deficit. The over all cement production, however, is estimated to have grown by about 6% in the Financial Year 2014-15. This is likely to improve during 2015-16 due to the Government's plan for providing a boost to cement demand in real estate and infrastructure sectors and cement sector is expected to grow @ 9%

during 2015-16 with production of about 290 million tons of cement. The growth trend will also continue in the next financial year i.e. 2016-17 when cement industry is likely to grow by 8% backed by sustained healthy growth in demand.

Your company, however, could not get the advantage of the uptrend, even shortlived, in cement industry due to the limestone problem arising from non-renewal of its major mining lease w.e.f. December, 2013. As a result of limestone problem, the company's production came down by about 25% during the financial year under report when the company produced 4.8 lac tons of cement against 6.39 lac tons during 2013-14 and 7.38 lacs tons during 2012-13.

**3.0 FINANCIALS**

3.1 Consequent upon 25% drop in production of cement due to limestone constraint as mentioned above, the sales turnover registered corresponding decrease as compared to the previous financial year and the company during the financial year 2014-15 had a total income of Rs.198.86 Crores as against the total income of Rs. 256.66 crores during 2013-14. Even though cement production improved at macro level by registering an increase of about 6% in 2014-15, the prices improved only marginally which was offset by escalation in cost of inputs like Coal and Power. Your Company continued to suffer for want of working capital having no access to Bank finance in view of its weak financial position and sickness. During the year under consideration, the company had a negative EBITDA of Rs.17.88 crores and after considering the financial costs and depreciation, the company incurred a net loss of Rs. 34.71 crores.

3.2 The last few years were not conducive for rapid growth in Indian economy due to subdued global economic sentiments and the general slow down in the economy of the country and consequent impact on Cement industry, caused by reduced spending on infrastructure projects in Government, Private and Public Private

Partnership (PPP) sectors, consistently high interest rate maintained by the Central Bank primarily to curb inflation in the economy, substantial increase in cost of power and fuel and surplus cement manufacturing capacity created in the country not absorbed due to persistently low demand. This also led to cement prices remaining flat over three years with pressure on industry margins. As a result, whereas many cement companies had depressed margins, some incurred loss.

#### **4.0 REVIVAL OF THE COMPANY**

Your company is confronted with various problems for last few years and is, at present, in the process of revival under the aegis of the Board for Industrial and Financial Reconstruction (BIFR) pursuant to the provisions of Sick Industrial Companies (Special Provisions) Act, 1985 on the basis of a Revival Scheme sanctioned by BIFR in October, 2011. Due to unfavourable environment created by the economic slow down in the last 3 /4 years coupled with Limestone problem, the company could not achieve the parameters envisaged in the Revival Scheme sanctioned by BIFR and your company therefore has approached BIFR again with a modified revival scheme for approval of certain additional reliefs and concessions including reschedulement of payment of dues. BIFR is yet to take a view on the modified scheme comprising therein the proposed changes seeking reliefs / reschedulement of dues.

#### **5.0 MANAGEMENT DISCUSSION AND ANALYSIS**

Management discussion and analysis has been appended to the report as Annexure-1.

#### **6.0 DETAILS PURSUANT TO THE PROVISION OF THE COMPANIES ACT, 2013**

As stipulated under section 134(3) of the Companies Act, 2013 the following details are provided hereunder:

- a) The extract of the Annual Return

The extract of the Annual Return in the Form

MGT-9 has been placed at Annexure -2

- b) No. of meetings of the Board

The details of the number of meetings of the Board of Directors have been provided in Annexure -3 dealing with Corporate Governance.

- c) Director's responsibility Statement

The Directors' responsibility Statement has been provided at para-7.0 hereinafter.

- d) Declaration by independent Directors

The Independent Directors have given the requisite declaration to the Company under section 149 (7) of the Companies Act, 2013 affirming that they meet the criteria of independence as provided in sub-section(6) of section 149 of the Act.

- e) Company's Policy on Directors' appointment and Remuneration, etc.

i) The Nomination and Remuneration Committee has framed a Policy on "Criteria for determining qualifications, positive attributes and independence" as well as a Policy on "Board diversity". The same have been provided in Paragraphs 9.2 and 9.3 hereinafter.

ii) The Nomination and Remuneration Committee has already framed a Remuneration Policy and the same has been approved by the Board of Directors of the Company. The Remuneration Policy has been provided in paragraph 10.0 hereinafter.

- f) Explanations in respect of the comments in the Auditors Report as well as the Secretarial Audit Report

The explanations in respect of the comments in the Audit Report and the Secretarial Audit Report have been provided in Annexure - 4

- g) Particulars of loans, guarantees or investments

The company has not provided any loans,

guarantees or made investments in any other company.

- h) Particulars of contracts or arrangements with related parties.

The company has not entered into a contract with any related party during the year under report. There have been no related party transactions made by the company with the Promoters, Directors and the Key Managerial Personnel which could be in conflict with the interest of the company. The details of related party transactions which pertained to the managerial remuneration are set out in Note 19 to the Balance Sheet.

- i) The State of the Company's Affairs

This has been provided at Paragraph Nos. 1.0 to 4.0 above.

- j) The amounts proposed to be transferred to reserves.

Since the Company has incurred loss, it does not propose to carry any amount to its reserves.

- k) Dividend.

The company, in view of the losses, does not propose to pay any dividend.

- l) Material changes and commitments affecting the financial position of the company

No significant event has occurred leading to any material change in the State of Affairs of the company and no commitments affecting the financial position of the company have been made during the period i.e. between end of financial year (31.3.2015) and the date of this report (22.5.2015)

- m) The Energy conservation technology absorption, etc.

The statement in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo is placed at Annexure - 5.

- n) Risk Management Policy

The company has evolved and implemented a risk management policy. The responsibility of the Risk Management has been entrusted to the Audit Committee by re-designating the same as Audit and Risk Committee. The Risk Management Policy framed by the company includes Identification of Risk and their mitigation through the Groups/ Committees appointed for this purpose.

- o) Corporate Social Responsibility

The Companies Act, 2013 requires a company to spend at least 2% of the average net profit earned during previous three financial years on various areas specified in schedule -VII to the Act. Since the company did not have profit in any of the three financial years, it is not obliged to spend in respect of the areas of Corporate social responsibility as mandated by the Act. Nevertheless the company has, for long, been pursuing certain corporate social responsibilities out of its own philanthropic initiatives which are as under:

- i) Running a High School providing free co-education to about 650 students including the wards of local people (not connected with the company's employees).

- ii) Running a Women Degree College providing subsidized education to the Girls of nearby areas.

- iii) Providing emergency medical treatment to the people in the hospital owned and maintained by the company.

- iv) Organizing free camps for medical checkup and treatment from time to time.

- v) Providing free water to local farmers for irrigation purpose.

- p) Annual evaluation of performance of the Board

The Nomination and Remuneration Committee has framed the policy for evaluation of the performance of the Board, its committees and the Directors. The said Policy has also been approved by the Board of Directors of the company. The policy provides detailed guidelines for evaluation and the parameters on the basis whereof the evaluation is to be carried out in respect of the (i) Independent Directors (ii) Non-independent Directors (iii) Chairperson of the Board (iv) Entire Board and its Committees. This has been provided in paragraph 9.1 hereinafter. The evaluation has been made by the Directors of their performance on the said parameters as laid down in the Policy.

q) Matters prescribed under the Companies (Accounts) Rules 2014.

i) The Financial summary or highlights

This has been provided at paragraphs 1.0 to 4.0

ii) The change in the nature of business, if any  
There is no change in the nature of the business conducted by the company

iii) Change in the directors or key managerial personnel during the year

a) Shri Shailendra P. Sinha was reappointed as Managing Director by the Board of Directors and Shareholders for a period of 3 years w.e.f. 23rd February, 2013. His reappointment and remuneration were approved by the Central Government also. In order to comply with the provisions of section 203(2) of the Companies Act, 2013 he was appointed as a Key Managerial Personnel

b) Shri P.K. Chaubey who has been working with the company in the capacity of President (Finance) & Company Secretary for last several years was reappointed as Chief Financial Officer and Company Secretary in the capacity of a Key Managerial Personnel.

c) Shri D.N. Bhandari ceased to be director of the company w.e.f. 23rd May, 2014

consequent upon his resignation from the Board.

d) Shri Satyadeva Prakash Sinha, the Executive Chairman unfortunately expired on 11th April, 2014.

e) The Board has appointed Smt. Lata Ajay Srivastava as an Independent Director w.e.f. 26.03.2015.

iv) Changes in the subsidiaries, joint ventures or associate companies during the year.

The Company does not have any subsidiary, joint venture or associate companies.

v) Deposits

The company has not invited or accepted any deposit.

vi) Significant Orders impacting the going concern status and company's operations in future.

No such order which will have the bearing on the going concern status of the company or its operations in future has been passed by any regulator, court or the tribunal.

vii) Adequacy of internal financial controls

The Internal Control System of the company is an adequately structured system which is considered adequate to safeguard the business interests of the company as well as help and facilitate compliance with legal and statutory requirements. Since the objective of the internal control system is to ensure efficient use and protection of the company's resources / properties, correct reporting of the state of affairs of the company through the financial statements, the internal control system is periodically reviewed by the management which is subjected to extensive scrutiny by the Internal Auditors through its quarterly reviews and audits.

#### **7.0 DIRECTORS'S RESPONSIBILITY STATEMENT**

(a) The Directors confirm that in preparation of the annual accounts for the financial year

ended 31st March, 2015, the applicable accounting standards have been followed;

- (b) 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 profit and loss of the company for that period;
- (c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The directors have prepared the annual accounts on a going concern basis;
- (e) The directors have laid down internal financial controls which are adequate and are operating effectively;
- (f) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

## 9.0 Corporate Governance

The Corporate Governance Code has been implemented by the Company and a separate section thereon is included in the Directors' Report as Annexure-3.

### 9.0 Evaluation of Directors, determining qualifications, positive attributes and Independence of Directors

9.1 The Nomination and Remuneration Committee has formulated the criteria for evaluation of Directors, the Board and its Committees and the same has been approved by the Board of Directors also. The same are provided below:

- a) The criteria for evaluation of performance of independent directors
  - i) Attendance in the meetings of the Board

as well as the Committees thereof.

- ii) Effective participation in the meetings and providing timely inputs on the matters brought before the Board or the Committees.
- iii) Adherence to and affirmation with ethical standards and the Code of Conduct of the company and timely disclosure of interest, if any, acquired subsequently and affirmation to the Board about the continued "independent status" as provided in section 149(6) of the Act.
- iv) Raising of valid concerns to the Board and the Committees and constructive contribution to the resolution of issues at the meetings.
- v) Inter-personal relation with other directors and management
- vi) Unbiased and objective evaluation of the Board performance.
- vii) Understanding of the Company and the external environment in which it operates.
- viii) Protecting the interest of whistle blower under vigil mechanism and safeguarding the confidential information of the company.

- b) The Criteria for evaluation of performance of the non Independent Directors / Executive Directors.

The parameters / criteria for evaluation of the performance of non independent and executive directors take into consideration the size of the company, nature of its business and state of uncertainty in which the company operates and accordingly the following parameters will be applicable for evaluation of non independent and executive directors.

- i) Attendance in the meetings of the Board as well as the Committees thereof.
- ii) Effective participation in the meetings

and providing timely inputs on the matters brought before the Board or the Committees.

- iii) Adherence to and affirmation with ethical standards and Code of Conduct of the company and timely disclosure of interest, if any, acquired subsequently.
  - iv) Efforts for improvement in operations of the company for its long term revival.
  - v) Efforts made for obtaining the government's approval / support in respect of various issues either under BIFR Scheme or otherwise.
  - vi) Team work attributes and supervising and training of staff members.
  - vii) Compliance with various laws, Capital Market Regulations, Corporate Governance practices, listing conditions and reporting of frauds etc. in time.
  - viii) Protecting the interest of whistle blower under vigil mechanism and safeguarding the confidential information of the company.
- The chairperson of the Board will be evaluated on the basis of the above criteria depending on whether he is an independent or a non-independent director.
- c) Criteria for evaluation of performance of the entire Board of Directors and its Committees
- i) Adequacy of composition of the Board of Directors and the Committees in terms of (a) Board diversity (b) technical knowledge and skills (c) mix of independent & non independent directors and legal requirements.
  - ii) Holding statutorily required number of meetings of the Board and the committees thereof and ensuring that the meetings are held properly in adequate

length of time providing sufficient time to the directors for deliberations in the meetings.

- iii) Level of transparency in providing information to the Board and the Committees enabling proper understanding of the issues confronted by the company and ensuring the quality, adequacy and timeliness of flow of information between the Company Management and the Board as well as the Committees.
  - iv) Adequate opportunity and encouragement to the directors for open communication, meaningful participation and timely resolution of the issues.
  - v) Ensure that the Independent Directors meet the requirement of independence prescribed under section 149(6) of the Act.
  - vi) Establishing an environment which facilitates effective disclosure, fiscal accountability and high ethical standard.
  - vii) Ensuring that the company's internal control mechanism in respect of the operations and financial matters is effective and capable to avoid irregularities and frauds and that the financial statements of the company are credible to provide true and fare view of the state of affairs of the company.
  - viii) Providing regular financial updates to the board.
  - ix) Ensuring compliance with the provisions of Corporate Governance, insider trading, the conditions of the listing agreement and other Capital Market regulations as applicable to the company.
- The evaluation has been made in respect of the performance of various directors on four scales.



## 9.2 Determining qualifications, positive attributes and independence

1.0 The Nomination and Remuneration Committee is required to formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the board a policy relating to the remuneration for the directors, key managerial personnel and other employees. The Nomination & Remuneration Committee formulated a Remuneration policy and approved the same in their 11th meeting held on 23.05.2014 and recommended the Policy to the Board of Directors for approval and the Board of Directors in their meeting held on 23.05.2014 approved the said remuneration policy. The Nomination and Remuneration Committee however, has now formulated the criteria for determining qualification, positive attributes and independence of a director for appointment on the board of the directors of the company as under and the same has been approved by the Board and implemented.

### 1.1 Criteria for Qualification –

- a) The directors to be appointed on the Company's Board will have the minimum academic qualification of Graduation.
- b) The Wholetime Directors shall be professionally qualified in the related fields.

### 1.2 Positive attributes –

- a) Academic and professional excellence in their respective fields.
- b) Communication skill
- c) Stature in the Corporate or other relevant areas.

## 1.3 Independence

The status of independence will be governed by the provisions of Section 149(6) of the Act.

## 9.3 The Policy on Board diversity

1.0 The Listing Agreement provides for devising a policy on Board diversity by the Nomination and Remuneration Committee. The Board diversity is required to have on the Board of Directors of the company, the people from diverse background who could bring with them, the varied experience in different fields which enable the Board to provide effective guidance from different perspectives adding value to the Company's operations, shareholders' worth and effective compliance as a good Corporate Citizen. Accordingly, the Nomination and Remuneration Committee has framed the following policy on Board diversity.

- i) The Board should comprise the independent and non independent directors as stipulated under the provisions of the Act and the listing Agreement.
- ii) The Board should comprise the adequate combination of Executive and Non Executive Directors.
- iii) The directors should be experts in different fields like technology, economics, finance, accounting, legal and social work.
- iv) The Board members shall possess academic and technical skills in varied fields which will provide to the company the opportunity of receiving guidance from the experts in diverse areas which ultimately would accrue financial and other benefits to the company.

## 10.0 "REMUNERATION POLICY"

1.0 The Nomination and Remuneration Committee has formulated a Remuneration Policy for the Directors, Key Managerial Personnel and other employees of the

Company which has also been approved by the Board of Directors. The Remuneration Policy, as approved is given below:

2.0 Section 178 (3) and Section 178 (4) of the Companies Act, 2013 provide as under:

"(3) The Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

(4) The Nomination and Remuneration Committee shall, while formulating the policy under sub-section (3) ensure that –

(a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;

(b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:

Provided that such policy shall be disclosed in the Board's report. "

In terms of the provisions of Section 178 (3) and Section 178 (4) of the Companies Act, 2013, the Nomination and Remuneration Committee has to recommend to the Board a policy relating to the remuneration payable to the directors, Key Managerial Personnel and other employees.

Accordingly, the Nomination and Remuneration Committee has formulated the following Remuneration Policy for the directors, Key Managerial Personnel and other employees of the company.

3.0 Remuneration payable to Non Executive Directors

3.1 Section 198 read with Section 309 of the Companies Act, 1956 and the corresponding section 197 of the Companies Act, 2013 provide for payment of commission to Non Executive Directors limited to 1% of the Net Profit where the company has a Managing Director or a Wholetime Director and 3% where the company has no such Managing or Wholetime Director.

Since KCL does not have profit, no commission is paid to the Non Executive Directors and they are paid only the sitting fee under the provisions of the Companies Act, 1956 / the Companies Act, 2013 read with the Articles of Association of the Company.

3.2 Remuneration Policy in respect of Executive Directors and Key Managerial Personnel

The following factors / criteria would determine the remuneration payable to Executive Directors and the Key Managerial Personnel.

(i) Educational, professional and technical qualification

(ii) Experience of managing various fields in industry like administration, marketing, commercial, technical, finance etc.

(iii) Salary structure presently in the industrial units of similar size.

(iv) Complexity involved in managing the business of the company in view of various challenges like (i) financial constraints, (ii) dealing with government agencies for seeking various approvals, (iii) serious legal issues etc.

- (v) The provisions under the Companies Act, 2013 read with the relevant schedules provided therein.
- (vi) Apart from payment of basic salary and House Rent Allowance in keeping with the industry trend, providing the statutory benefits like Provident Fund, Gratuity and Leave Encashment and other benefits like Medical, Annual Leave Scheme.
- (vii) Consideration of the current financial position of the company while deciding the remuneration payable to the executive Directors and Key Managerial Personnel.
- 4.0 Remuneration Policy applicable to the Senior Management and other officers of the company  
The company presently has three grades of officers namely (i) Jr. Officers, (ii) Jr. Managers and (iii) Sr. Managers.  
The following factors / criteria would determine the remuneration payable to the senior Management and other officers of the company.
- 4.1 Educational and Professional Qualifications of the officers.
- 4.2 Experience in terms of length of service and quality of such experience based on association with the organizations in the past.
- 4.3 Payment of basic salary and House Rent Allowance in keeping with the trend in industry particularly similar size companies.
- 4.4 Payment of remuneration by breaking the same into fixed and variable parts and variable salary to be linked with the production and profitability of the company.
- 4.5 To link the remuneration payable to senior management category employees on the basis of the cadre he belongs to and the responsibilities entrusted to him.

- 4.6 To provide statutory benefits like Provident Fund, Gratuity, Leave Encashment and other benefits like Medical as well as Annual Leave Scheme.
- 4.7 The annual increment to be provided in keeping with the performance of the company and in the event of unsatisfactory performance of the company, to provide the annual increment close to inflation.
- 5.0 Remuneration Policy in respect of other Employees
- 5.1 Employees are appointed as per the hiring policy of the company in different grades of workmen and staff.
- 5.2 The unionized workers to be paid wages as per the Wage Agreements with them. Payment of Variable Dearness Allowance (VDA) linked with the Consumer Price Index (CPI) on quarterly basis circulated by Cement Manufacturers Association (CMA) based on the data published by the Ministry of Labour, Govt. of India.
- 5.3 Payment of remuneration to non-unionized staff at the Corporate Division and Marketing Division at Patna on the basis of compensation package applicable to such employees in Patna. To provide Variable Dearness Allowance (VDA) to such staff members also."
11. Disclosure pursuant to section 197 (12) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014
- i) the ratio of the remuneration of each director to the median remuneration of the employees.
- |                       |        |
|-----------------------|--------|
| Managing Director     | 29.5:1 |
| Jt. Managing Director | 27.5:1 |
- The median remuneration of the employees does not take into consideration the value of housing accommodation provided to the workers, staff and officers in the factory

- ii) the percentage increase in remuneration of directors and KMPs

Managing Director	5.26%
Jt. Managing Director	5.66%
CFO & Co. Secretary (KMP)	6.05%

- iii) the percentage increase in the median remuneration of employees; 7.52%

- iv) the number of permanent employees on the rolls of company; 925

- v) the explanation on the relationship between average increase in remuneration and company performance.

The company is registered with the Board for Industrial and Financial Reconstruction (BIFR) and is in the process of revival through the aegis of BIFR. The increase in remuneration provided by the company is very modest and rather lower than the Industry average. The increase is barely enough to neutralize the effect of inflation and is essential to retain the employees in the company as the company, at this stage, needs more close and effective leadership as well as other employees.

- vi) comparison of the remuneration of the Key Managerial Personnel against the performance of the company;

The increase in the remuneration of KMP is 6.05% which is considered as reasonable in view of the explanations given above in reply to Sl. No. (v).

- vii) variations in the market capitalization, price earnings ratio and market price vis-à-vis issue price of shares

As mentioned above, the company at present is in the process of revival. Its networth is negative and although the company's shares

are listed at Bombay Stock Exchange, the trading is very rare. The shares of the company were last traded at the rate of Rs. 10.82 per share on 20th January, 2015. The company has not made any public offer for issue of shares in the financial year 2014-15.

- viii) Increase in the salaries of managerial personnel and other employees

The increase in the salaries of employees in the financial year 2014-15 was 7.52% against the average increase of 5.45 % in the salary of managerial personnel.

- ix) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company;

This has been explained in reply to para (vi) above.

- x) the key parameters for any variable component of remuneration availed by the directors; Presently not applicable.

- xi) the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;

Not applicable

- xii) affirmation that the remuneration is as per the remuneration policy of the company

It is affirmed that the remuneration being paid by the company is in conformity with the remuneration policy of the company.

## 12.0 Share Capital

The Company did not issue any share capital during the financial year 2014-15. The company however had planned to issue 1.062 crore shares on rights basis but the issue was finally not proceeded with.

**13.0 Auditors**

M/s. M. Mukerjee & Company, Chartered Accountants, Kolkata are the statutory auditors of the company. Under the provisions of the Companies Act, 2013, they are eligible for re-appointment.

**14.0 Committees of the Board of Directors**

The Board of Directors have appointed three committees namely (i) "Audit and Risk Committee" (Re-designated as Audit and Risk Committee in place of the earlier name as Audit Committee) (ii) Nomination and Remuneration committee and (iii) Stakeholders Relationship Committee. The requisite details in respect of these committees have been provided in Annexure – 3 dealing with "Corporate Governance". The Board has accepted the recommendations of the Audit Committee and there is no such recommendation of the Audit Committee which has not been accepted by the Board of Directors of the Company.

**15.0 Vigil Mechanism**

The Company has introduced a vigil mechanism, for its Directors and Employees to report their genuine concerns or grievances. Since the company has an Audit Committee (Now re-designated as Audit and Risk Committee) the responsibility to oversee vigil mechanism has been entrusted to the Audit Committee. The Chairman Audit Committee has been authorized to ensure effective implementation of the vigil mechanism established by the company. The details of vigil mechanism are as under:

- i) The Employees and Directors of the company may bring to the notice of the Chairman of the Audit and Risk Committee, any irregularity, wrong doing, unethical practice or any activity against the principles and standards laid down for conduct of the business of the company.
- ii) The whistle blower will only report the irregularity and not act as an Investigator. He may be asked to make oral submission by the Chairman Audit Committee.
- iii) The identity of the whistle blower will be kept confidential as far as possible. Such whistle blower will also not be discriminated or meted out any unfair treatment in employment matters.
- iv) After receipt of the complaint, the Chairman Audit and Risk Committee will investigate the matter in an independent, fair and unbiased manner.
- v) The identity of the person against whom the investigation is conducted will be kept confidential within the ambit of law and such person will also be informed of the allegations to enable him placing his view points before the Chairman Audit and Risk Committee
- vi) The findings of the investigation will be communicated to such person and he will be provided with an opportunity to respond to the material findings, if any. Finally, the outcome of investigation will be informed to such person.
- vii) The disciplinary action will be taken as per the rules of the company, in force from time to time.

**16.0 Particulars relating to Employees.**

As required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the details of employees who were in receipt of remuneration in excess over the prescribed amount have been provided in Annexure-6.

**17.0 Secretarial Audit Report**

M/s. A. Kumar & Associates were appointed as Secretarial Auditors of the company and the Report

submitted by them is placed at Annexure-7.

**18.0 Corporate Governance Certificate**

This Certificate has been provided by the Auditors of the company and placed at Annexure -8.

**19.0 PROTECTION FROM SEXUAL HARASSMENT**

The company has formed an Internal Compliance Committee to address the complaints of Sexual Harassment at work place. The employees can approach the Committee, if required. However, no complaint has been received by the said committee.

**20.0 APPRECIATIONS**

The Directors wish to put on record their appreciation for the support and contribution

made by the employees of the company towards the operation. The directors also wish to place on record their thanks and appreciation for the help and support given by State Govt. and Central Govt. in carrying out its operations.

**ON BEHALF OF THE BOARD  
(Shailendra Prakash Sinha)  
Managing Director**

Place: Patna

**(B.C. Srivastava)**

Date : 22.5.2015

**Director**

**MANAGEMENT DISCUSSION AND ANALYSIS:****1. Industry Structure and developments**

1.1 Cement Industry is one of the eight Core Industries namely (i) Coal (ii) Crude Oil (iii) Natural Gas (iv) Refinery Products (v) Fertilizer (vi) Steel (vii) Cement and (viii) Electricity. Out of the said eight Core Industries, Cement and Steel are Key Industries for growth of infrastructure in the Country. Cement Industry, till its total deregulation in 1989, had a capacity in the region of 45 – 50 Million Tons and started growing rapidly in post deregulation period and particularly after cement was freed from licencing in 1991 in the process of liberalization of Indian economy. Indian cement industry, next only to China expanded its capacity in a significant way in last 14-15 years. While the industry took 8 decades to reach the 100 million ton capacity, the 2nd 100 million ton was added in 11 years and the 3rd 100 million was added just 3 years. Indian Cement manufacturing capacity at present is over 360 Million Tons and as in case of any industry, cement manufacturing capacity has been created in India, on the basis of the growth forecasts in various sectors of the economy, generally ahead of demand.

1.2 The capacity creations in India therefore have been in bunches based on the growth expectations and in the event of growth forecasts not matching the real demand, there were delays in absorption of full capacity leading to the situation of surplus cement manufacturing facilities and mis-matches in demand and supply persisting, at times, longer than anticipated. The present cement manufacturing capacity of 360 Million Tons approx. has not been able to be fully absorbed in the economy due to lower than expected consumption caused by tepid growth in creation of infrastructure facilities across the Government, Private and Public Private Partnership sectors.

1.3 The Indian Cement Industry grew at a rapid pace upto the year 2010 and had grown at the Compounded Annual Growth Rate(CAGR) between 8% to 9% resulting in a demand supply equilibrium position. The capacity additions during the later period were not backed by commensurate growth in demand for cement caused due to

slowdown in infrastructure and housing sectors creating demand supply mismatch which continues, to a considerable extent, till now. The surplus capacity coupled with low demand growth in the region of 4.5% to 5% (under the then prevalent methodology for growth determination) led to low capacity utilization in the range of 65 – 70% in last 2-3 years. Cement prices also remained flat during this period while the input costs showed escalation.

**2. Opportunities and Threats****2.1 Opportunities**

(i) Cement Industry, considering the growth during pre and post deregulation period, is considered a success story as the same has helped create substantial growth in housing and infrastructure sectors. Even though the industry witnessed muted growth in last 3-4 years, both in terms of demand and price structure, it has high growth potential in view of the emphasis of the Central Government on developing infrastructure in the Country as evident from the ambitious target of spending US \$ 1 trillion envisaged in the 12th five year plan. Even somewhat lower than the envisaged spending on infrastructure would drive the demand growth considerably and provide much needed fillip to the economy for quicker revival. The Government's plans to construct (i) National Highways (ii) the Project named "Bharat Mala" (iii) 100 Smart Cities and (iv) Housing for all till 2022 are indicative of quantum jump in cement sector. The housing sector is the biggest demand driver accounting for over 55% of the total cement demand followed by infrastructure (23%) and Commercial and Industrial Construction (19%). The Government's resolve to provide housing for all by 2022 will be major driving force for growth in cement industry in next decade. Swachh Bharat Abhiyan is also likely to constitute significantly to the demand for cement. Moreover, Indian Cement Industry has greater potential to grow fast in view of the fact that the per capita cement consumption in India is 191 Kg (in 2012) which is much lower

than the International average of 536 Kg (in 2012), leaving significant opportunities for growth.

- (ii) Cement market in India is expected to grow at a CAGR of 8.96% during the period 2014-2019. Based on the growth forecasts, the cement capacity in India is likely to register a growth of 8% by next year to 390 million tons from the present level of 360 million tons. The capacity is likely to increase to 421 million tons by the end of 2017.
- (iii) The eastern states as well as those on the country's borders are likely to witness significant growth in consumption of cement due to the emphasis on infrastructure development in those areas with a possibility of cement manufacturing capacity. In next one decade India may emerge one of the main exporters of clinker and gray cement to the Middle East, Africa and other developing countries of the world.
- (iv) On quality front, India has already demonstrated its capability to produce the world class high quality and different varieties of cement conforming to any international standard viz BS, ASTM, DIN etc. The industry is also actively pursuing the use of alternate fuel to reduce dependence on coal besides using advanced and environment friendly technologies as well as waste heat recovery based co-generation of power.

## 2.2 Threats

- (i) Even though the demand for cement is likely to improve, the high interest rates which have been persisting for last 3-4 years due to macro monetary policies pursued by the Reserve Bank of India (RBI) to rein in inflation, continued to affect the growth rate in various sectors of the economy and in view of the consistently high inflation, though the same has softened over last one year, the RBI has not effected any significant reduction in the Policy rate after marginally lowering the same by 50 basis points in two tranches. This may affect the growth in cement industry as well.
- (ii) Since the Industry is already faced with surplus capacity situation, any addition to the capacity at this stage would lead to further imbalance

in the demand and supply and push the cement prices further down.

- (iii) If the 12th plan projections of spending one trillion dollars do not fructify and there is a substantial short fall, the cement industry in the country will face the threat of lower growth.
- (iv) Although presently, the International Coal prices are at reasonable levels, any significant change in the World economy leading to growth in demand for coal will have negative impact on Indian Cement Sector in the form of high input costs.

## 3.0 Segment wise or product wise performance

The company is engaged only in manufacturing and marketing of cement and its products are sold mostly in the State of Bihar. The company therefore has got only one product and geographical segment.

## 4.0 Outlook

- (i) As mentioned earlier, the economy of the Country has been witnessing slow growth since 2012-13, the growth being 4.5% in 2012-13 and 4.7% in 2013-14. The growth rate in 2014-15 was estimated as 5.5%. These growth rates were however based on the methodology adopted by Central Statistical Organization (CSO) earlier and now the corresponding growth rates under the new methodology are 5.1 % (2012-13), 6.9% (2013-14) and 7.4% (2014-15).
- (ii) On the basis of a study, the World Bank has made a forecast which shows that the Indian Economy is expected to grow @ 7.5% in 2015-16, 7.9% in 2016-17 and 8% in 2017-18. With the changes in the policies for real estate and infrastructure sectors, housing for all till 2022 as promised by the Central Government, 100 smart cities, Bharat Mala Project, plans for rapid growth in National highways and Railway sectors, Cement is poised for a big leap in the times ahead with not only demand supply gaps narrowing but further capacity build-up getting a needed boost which is likely to touch the level of 421 million tons by 2017. Expected reduction in the Policy rates by RBI and a look up in industrial production would lead to additional growth which augurs well for Cement Industry.



**5.0 Risks & Concerns**

- (i) The surplus capacity situation in the country continues to pose risk for the cement industry as the same diminishes the industry's capability to realize remunerative prices from the market. Power and Fuel (Coal) are the two major components contributing to the manufacture of cement and these two items have witnessed significant escalation in last few years despite cement prices remaining flat thereby putting the industry margins under severe pressure.
- (ii) The availability of good quality coal remains a concern for cement industry. Majority of the Indian coal does not provide desired calorific value and this increases dependence on imported coal, the prices whereof are prone to fluctuation due to the dynamics of international demand and supply of coal.
- (iii) Cement is a bulk commodity and involves long haul transportation involving sizeable carrying cost. Logistics therefore plays a very important role in cost of delivery of cement to the ultimate consumer. Although the international crude prices remained soft during the recent times which eased the pressure on logistics cost, the same is now on uptrend. Any significant increase in international crude prices will have the risk negatively impacting the industry margin.
- (iv) The government's emphasis on infrastructure projects will result in creation of such facilities only when required land is available. The availability of land remaining uncertain, the anticipated growth in infrastructure sector remains a cause for concern at least in short term.

**6.0 Internal control systems and their adequacy.**

- (i) The company has established effective internal controls both in operational & financial areas and the same have proved to be effective. The objective of internal control systems established by the company is to ensure efficient use and protection of the company's resources, accuracy in financial reporting and ensuring that the financial statements of the company are considered reliable and credible in providing true and fair view of the state of affairs of the company.
- (ii) The company has appointed a reputed firm of Chartered Accountants who perform the

internal audit of the operations and financial affairs of the company and submit their reports to the Audit Committee on quarterly basis. The internal controls are reviewed by the auditors periodically and deficiencies, if any are pointed out by them for corrective measures.

**7.0 Financial performance with respect to operational performance**

- (i) The company presently is in the process of revival through the aegis of the Board for Industrial and Financial Reconstruction (BIFR). Since the cement market, due to over capacity situation in the industry, has remained sluggish in last few years, the company's operations & financial results also remained adversely affected. Non-renewal by the Govt. of Bihar of the company's main operative mining lease effective from Dec. 2013 compounded the problem by creating Lime Stone shortage for the company pulling down cement production by 25% in the year under report over the immediately preceding financial year.
- (ii) The reduced level of operations, led by working capital difficulties, lime stone shortage coupled with flat cement prices as well as cost escalations, resulted in loss.

**8.0 Material developments in human resources, industrial relations front including number of people employed.**

In order to achieve full utilization of equipment and inculcate proper operation and maintenance practices, the company's personnel are exposed to latest ideas and concepts through various in house as well as external training programmes. Interactions amongst plant personnel on a daily basis also helps improve sensitivity about the plant and better identification of plant problems and their resolutions and also in identifying the areas of cost reduction. Barring minor incidents of work stoppages for wage disbursements, the industrial relations generally remained cordial during the year under report. The company employed 925 people during the year.

ON BEHALF OF THE BOARD  
(Shallendra Prakash Sinha)  
Managing Director

Place: Patna  
Date : 22.5.2015

(B.C. Srivastava)  
Director

**Form No.MGT-9****EXTRACT OF ANNUAL RETURN****As on the financial year ended on 31.03.2015**

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

**I REGISTRATION AND OTHER DETAILS:**

i)	CIN	L26942WB1937PLC009086
ii)	Registration Date	11.08.1937
iii)	Name of the Company	Kalyanpur Cements Ltd.
iv)	Category / Sub-Category of the Company	Public Limited
v)	Address of the Registered office and contact details	2 & 3, Dr. Rajendra Pd. Sarani, Kolkata – 700 001 Phone-033- 22302977 / Fax: 033-22301909
vi)	Whether listed company	Yes, Listed at Bombay Stock Exchange and Calcutta Stock Exchange
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India (Pvt.) Ltd. 59C, Chowringhee Road, 3rd Floor, Kolkata-700020 Phone : 033 – 22890540 Fax : 033-22890539 E-Mail:Kolkata@linktime.co.in

**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 and Description of Main products / services	NIC Code of the Product/service	% to total turnover of the Company
1	Cement	25232930	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

S.No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares Held	Applicable Section
<b>Not Applicable</b>					

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF									
b) Central Govt.									
c) State Govt(s)									
d) Bodies Corp.	4100342	7225000	11325342	53.30%	4100342	7225000	11325342	53.30%	-
e) Banks/FI									
f) Any Other....									
<b>Sub-total(A)(1):-</b>	<b>4100342</b>	<b>7225000</b>	<b>11325342</b>	<b>53.30%</b>	<b>4100342</b>	<b>7225000</b>	<b>11325342</b>	<b>53.30%</b>	<b>-</b>
<b>(2) Foreign</b>									
a) NRIs-Individuals									
b) Other -Individuals									
c) Bodies Corp.									
d) Banks/FI									
e) Any Other.....									
<b>Sub-total (A)(2):-</b>									
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>4100342</b>	<b>7225000</b>	<b>11325342</b>	<b>53.30%</b>	<b>4100342</b>	<b>7225000</b>	<b>11325342</b>	<b>53.30%</b>	<b>-</b>
<b>B. Public Share-holding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	3550	0	3550	0.02%	3550	0	3550	0.02%	-
b) Banks/FI	3165101	86141	3251242	15.30%	3165101	86141	3251242	15.30%	-
c) Central Govt.									
d) State Govt(s)		24417	24417	0.11%		24417	24417	0.11%	-
e) Venture Capital Funds									
f) Insurance Companies	9730	5	9735	0.05%	9730	5	9735	0.05%	-
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
<b>Sub-total(B)(1):-</b>	<b>3178381</b>	<b>110563</b>	<b>3288944</b>	<b>15.48%</b>	<b>3178381</b>	<b>110563</b>	<b>3288944</b>	<b>15.48%</b>	<b>-</b>

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	5691622	894709	6586331	31.00%	5656888	38009	5694897	26.80%	(-)4.2%
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	16997	31440	48437	0.23%	20341	28096	48437	0.23%	-
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh					31434	860000	891434	4.20%	(+)4.2%
c) Others (specify)									
<b>Sub-total(B)(2):-</b>	<b>5708619</b>	<b>926149</b>	<b>6634768</b>	<b>31.22%</b>	<b>5708663</b>	<b>926105</b>	<b>6634768</b>	<b>31.22%</b>	<b>-</b>
Total Public Shareholding (B)=(B)(1)+(B)(2)	8887000	1036712	9923712	46.70%	8887044	1036668	9923712	46.70%	-
C. Shares held by Custodian for GDRs & ADRs									
<b>Grand Total (A+B+C)</b>	<b>12987342</b>	<b>8261712</b>	<b>21249054</b>	<b>100.00%</b>	<b>12987386</b>	<b>8261668</b>	<b>21249054</b>	<b>100.00%</b>	

(ii) Shareholding of Promoter

Sl. No.	Promoter's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Maurya Management Pvt.Ltd.	1125342	5.30%	0	1125342	5.30%	0	No Change
2	Vivid Colors Pvt.Ltd.	10200000	48.00%	48.00%	10200000	48.00%	48.00%	No Change
	<b>Total</b>	<b>11325342</b>	<b>53.30%</b>	<b>48.00%</b>	<b>11325342</b>	<b>53.30%</b>	<b>48.00%</b>	

## (iii) Change in Promoters' Shareholding

Sl. No.		Shareholding at the beginning of the year		Shareholding at the end of the year		Remarks
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
1	Maurya Management (Pvt.)Ltd.	1125342	5.30%	1125342	5.30%	No Change
2	Vivid Colors (Pvt.) Ltd.	10200000	48.00%	10200000	48.00%	No Change
	<b>Total Promoters</b>	<b>11325342</b>	<b>53.30%</b>	<b>11325342</b>	<b>53.30%</b>	No Change

## (iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Elate Investments & Holdings(Pvt.) Ltd.	5420000	25.51%	5420000	25.51%
2	Asset Reconstruction Co.(India)Ltd.	3079000	14.49%	3079000	14.49%
3	Kampilya Builders (Pvt.) Ltd.	891434	4.20%		
4	K.N.Pandey (HUF)			891434	4.20%
5	Bhubnesh Commercial (Pvt.) Ltd.	225128	1.06%	222028	1.04%
6	IFCI Ltd.	86141	0.41%	86141	0.41%
7	IDBI	85841	0.40%	85841	0.40%
8	Indian Textiles Company Ltd.	30000	0.14%	30000	0.14%
9	BSIDC	21742	0.10%	21742	0.10%
10	LIC	9730	0.05%	9730	0.05%
11	Maurya Manpower (Pvt.) Ltd.	8400	0.04%	8400	0.04%

## (v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Sri D.N.Bhandari	176	0.00	0	0.00
2	Sri B.C.Srivastava	0	0.00	176	0.00
3	Sri P.K.Chaubey	2	0.00	2	0.00

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount				
<b>Secured Loans</b>				
Loan –Assets Care & Reconstruction Enterprise Ltd.	1565.00			1565.00
NCD-Assets Care & Reconstruction Enterprise Ltd.	7945.85			7945.85
<b>Unsecured Loans</b>				
Priority Debts-Vivid Colors Pvt. Ltd.		650.00		650.00
Unsecured Loans-Maurya Management Pvt. Ltd.		100.00		100.00
Unsecured Loans-Hind Marketing Corporation Pvt. Ltd.		100.00		100.00
<b>Short Term Loans</b>				
Short Term-Bihar Hotels Ltd.		810.00		810.00
Short Term-Kumar Distributors Pvt.Ltd.		50.00		50.00
Short Term-Aditya Futuristic Trading Pvt.Ltd.		45.47		45.47
ii) Interest due but not paid		103.59		103.59
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>9510.85</b>	<b>1859.06</b>		<b>11369.91</b>
<b>Change in Indebtedness during the financial year</b>				
● Addition				
Short Term				
Bihar Hotels Ltd.		110.00		110.00
Kampilya Builders Pvt.Ltd.		268.00		268.00
Vivid Colors Pvt. Ltd.		520.00		520.00
● Reduction				
Short Term				
Bihar Hotels Ltd.		0.00		0.00
Kampilya Builders Pvt. Ltd.		106.00		106.00
Vivid Colors Pvt. Ltd.		223.11		223.11
● Interest Accrued & due		76.98		76.98
<b>Net Change</b>	<b>0.00</b>	<b>645.87</b>		<b>645.87</b>

# "KALYANPUR"

## Cements Limited

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the end of the financial year</b>				
iv) Principal Amount				
<b>Secured Loans</b>				
Loan-Assets Care & Reconstruction Enterprise Ltd.	1565.00			1565.00
NCD-Assets Care & Reconstruction Enterprise Ltd.	7945.85			7945.85
<b>Unsecured Loans</b>				
Priority Debts-Vivid Colors Pvt. Ltd.		650.00		650.00
Unsecured Loans-Maurya Management Pvt. Ltd.		100.00		100.00
Unsecured Loans-Hind Marketing Corporation Pvt. Ltd.		100.00		100.00
<b>Short Term Loans</b>				
Short Term-Bihar Hotels Ltd.		920.00		920.00
Short Term-Kampilya Builders Pvt.Ltd.		162.00		162.00
Short Term-Vivid Colors Pvt. Ltd.		296.89		296.89
Short Term-Kumar Distributors Pvt. Ltd.		50.00		50.00
Short Term-Aditya Futuristic Trading Pvt. Ltd.		45.47		45.47
v) Interest due but not paid		180.57		180.57
vi) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>9510.85</b>	<b>2504.93</b>		<b>12015.78</b>

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

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

Sl. No.	Particulars of Remuneration	Name of WTD/MD/Manager			Total Amount
		Sri Satyadeva Prakash Sinha WTD designated as Exec. Chairman (Since deceased)	Sri Shailendra Prakash Sinha Managing Director	Sri Anant Prakash Sinha Joint Managing Director	
1.	Gross salary Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 Value of perquisites u/s 17(2) Income-tax Act, 1961 (a) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	1.79	62.35	58.25	122.39
2.	Stock Option	-	-	0.19	0.19
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	<b>Total(A)</b>	<b>1.79</b>	<b>62.35</b>	<b>58.44</b>	<b>122.58</b>
	<b>Ceiling as per the Act</b>	As approved by the Central Govt.	As approved by the Central Govt.	As approved by the Central Govt.	

**B. Remuneration to other Directors:**

Sl.No.	Particulars of Remuneration	Name of Directors		Total Amount
		Dr.K.C.Varshney	Sri B.C.Srivastava	
1.	Independent Directors			
	● Fee for attending board / committee meetings	0.90	0.90	1.80
	● Commission	-	-	-
	● Others, please specify			
	Total (1)	0.90	0.90	1.80
2.	Other Non-Executive Directors	Sri Mahendra Lodha (Investor's Nominee)		
	● Fee for attending board / committee meetings	0.40	-	-
	● Commission	-	-	-
	● Others, please specify			
	Total(B)=(1+2)	1.30	0.90	2.20
	Total Managerial Remuneration			122.58
	Overall Ceiling as per the Act	i) As approved by the Central Government ii) Rs. 10,000 per meeting as sitting fee	i) As approved by the Central Government ii) Rs. 10,000 per meeting as sitting fee	

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	
		Sri Purushottam Kr. Chaubey, CFO & Company Secretary	Total
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	29.17	29.17
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission		
	- as % of profit	-	-
	- others, specify.....		
5.	Others, please specify	-	-
	Total	29.17	29.17



**"KALYANPUR"****Cements Limited****VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment / Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty			NIL		
Punishment			NIL		
Compounding			NIL		
<b>B. DIRECTORS</b>					
Penalty			NIL		
Punishment			NIL		
Compounding			NIL		
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			NIL		
Punishment			NIL		
Compounding			NIL		

**ON BEHALF OF THE BOARD****(Shallendra Prakash Sinha)  
Managing Director****(B.C. Srivastava)  
Director**Place: Patna  
Date : 22.5.2015

**CORPORATE GOVERNANCE :****1. Brief statement on Company's philosophy on Code of Governance :**

In terms of the report of Kumarmangalam Birla Committee on Corporate Governance and the directives of SEBI, the listing agreement with Stock-Exchanges has been amended by addition of Clause 49 therein. The Company is required to implement the Corporate Governance Code in letter and spirit. In fact the Company has already been following some of the sound Corporate Governance practices. Now as stipulated in the listing agreement, it is the endeavour of the company to follow the Code of Corporate Governance by adopting Sound Corporate practices and complying with various laws, rules, regulations and the listing agreement with the Stock Exchanges.

**2. a) Composition and category of Directors**

Sn.	Name of the Directors	Category	Promoter/ Independent	No. of Shares held	Remarks
01	Shri Satyadeva Prakash Sinha	Executive	Promoter	-	Unfortunate demise on 11.04.2014
02	Shri Shailendra Prakash Sinha	Executive	Promoter	-	-
03	Shri Anant Prakash Sinha	Executive	Promoter	-	-
04	Shri D.N. Bhandari (upto 22.05.2014)	Non-Executive	Independent	*	-
05	Shri B.C. Srivastava	Non-Executive	Independent	176*	Please ref. Clause 7(v)(e)*
06	Dr. K.C. Varshney	Non-Executive	Independent	-	-
07	Shri Mahendra Lodha	Non-Executive	Non-Independent	-	Nominee of Investors
08	Shri Ravindra Prasad	Non-Executive	Non Independent	-	Nominee of the Govt. of Bihar
09	Smt. Lata Ajay Srivastava W.e.f. 26.03.2015	Non-Executive	Independent	-	-

After the sad demise of Shri Satyadeva Prakash Sinha, the Executive Chairman, the company presently has two Directors on its Board from Promoter category. Presently, the company has a non-Executive Chairman. Three Directors on the Board are non-Executive Independent Directors. There are two non-Executive non-Independent Directors on the Board. While one of them is a representative of investors, the other one is a nominee of the Govt. of Bihar.

**2. b) The attendance record of the Directors at the Board Meetings during the financial year ended on 31st March, 2015 and the last Annual General Meeting (AGM) is as under:**

Sn.	Name of Directors	No. of Meetings held during the tenure	Attendance at Board Meetings	Attendance at AGM
01	Shri Satyadeva Prakash Sinha	-	-	-
02	Shri Shailendra Prakash Sinha	4	4	No
03	Shri Anant Prakash Sinha	4	4	No
04	Shri D.N. Bhandari (upto 22.05.2014)	-	-	-
05	Shri B.C. Srivastava	4	4	Yes
06	Dr. K.C. Varshney	4	4	No
07	Shri Mahendra Lodha	4	2	No
08	Shri Ravindra Prasad	4	2	No
09	Smt. Lata Ajay Srivastava (w.e.f. 26.03.15)	-	-	-

**2. (c) Details of Directorships etc:**

The details of Directorship in Companies (excluding Private Limited Companies and Section 8 Companies), Chairmanship and the Committee Membership held by the Directors are given below :

Name of Directors	No. of Directorship	Chairman of the Board	Board Committees of which he is a Member	Board Committees of which he is a Chairman
Shri Satyadeva Prakash Sinha (upto 10.4.2014)	-	1	1	-
Shri Shailendra Prakash Sinha	3	-	1	-
Shri Anant Prakash Sinha	2	-	-	-
Shri D.N. Bhandari(upto 22.05.2014)	1	-	1	2
Shri B.C. Srivastava	3	-	1	2
Dr. K.C. Varshney	3	-	1	3
Shri Mahendra Lodha	8	-	6	5
Shri Ravindra Prasad (w.e.f. 13.2.2014)	2	-	-	1
Smt. Lata Ajay Srivastava (w.e.f. 26.3.2015)	1	-	1	-

The position indicated above includes the Directorship in the Company and Membership/ Chairmanship of the Committees of the Board of Directors of the Company also.

**2. d) Number of Board Meetings and dates on which held :**

During the year ended March 31, 2015, the Board of Directors held 4 meetings. These were held on:

Meeting Serial Number	Date	Meeting Serial Number	Date
1	23rd May, 2014	3	31st October, 2014
2	25th July, 2014	4	30th January, 2015

**3. The Audit and Risk Committee:**

(i) The Audit and Risk Committee comprises the following Directors :

01	Shri D.N. Bhandari (upto 22.5.2014)	Chairman	Non-Executive Independent
02	Shri B.C. Srivastava (w.e.f.23.5.2014)	Chairman	Non-Executive Independent
03	Dr. K.C. Varshney	Member	Non-Executive Independent
04	Shri Mahendra Lodha	Member	Non-Executive Non-Independent

All the members of Audit and Risk Committee have sound knowledge of Accounts, Audit and Financial matters. Majority of the members of the Audit and Risk Committee are Independent Directors. Shri Mahendra Lodha, being representative of Investors is a Non-Independent Director.

(ii) The following meetings of Audit and Risk Committee were held during the year ended 31.3.2015.

Meeting Sl.No.	Date	Meeting Sl.No.	Date
1	23rd May, 2014	3	31st October, 2014
2	25th July, 2014	4	30th January, 2015

The following is the attendance record of Audit and Risk Committee members at the meetings of the Committee.

Sl.No.	Name of Members of Audit and Risk Committee	No. of meetings held during the tenure	No. of meetings attended
1	Shri D. N. Bhandari, Chairman (upto 22.5.2014)	-	-
2	Shri B.C. Srivastava, Chairman(w.e.f. 23.5.2014)	4	4
3	Dr. K. C. Varshney, Member	4	4
4	Shri Mahendra Lodha	4	2

(iii) The Audit and Risk Committee has been assigned the following terms of reference :

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment of statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

14. Discussion with internal auditors on any significant findings and follow up thereon;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee

**(iv) Besides, the Audit Committee has been given the following powers to exercise its functions efficiently and effectively :**

- a) to investigate any activity within its terms of reference,
- b) to seek information from any employee,
- c) to obtain outside legal or other professional advice,
- d) to secure attendance of outsiders with relevant expertise, if it considers necessary.

**(v) The audit Committee reviews the following :**

- (a) Management discussion and analysis of financial condition and results of operations.
- (b) Statement of significant related party transactions.
- (c) Management letters/Letters of Internal Control weaknesses issued by the Statutory Auditors.
- (d) Internal Audit reports relating to internal control weaknesses.
- (e) Appointment, Removal and terms of remuneration of the Chief Internal Auditors.

**4. Nomination and Remuneration Committee :**

**(i) The Nomination and Remuneration Committee comprises the following Directors :**

1. Dr.K.C.Varshney - Non-Executive Independent Director - Chairman (upto 21.5.15)  
-do- - Member (w.e.f. 22.5.15)
2. Shri D.N. Bhandari - Non-Executive Independent Director - Member (upto 22.5.14)
3. Shri B.C.Srivastava - Non-Executive Independent Director - Member (upto 21.5.15)  
-do- Chairman (w.e.f. 22.5.15)
4. Shri Ravindra Prasad - Nominee of the Government of Bihar - Member (23.4.14 to 21.5.15)
5. Mrs.Lata Ajay Srivastava - Non-Executive Independent Director - Member (w.e.f. 22.5.15)

**(ii) The following are the terms of reference of the Nomination and Remuneration Committee :**

The terms of reference of the Nomination and Remuneration Committee are determined on the basis of the provisions contained in section 178 of the Companies Act and Clause 49 (IV) of the Listing Agreement. Accordingly, the following are the terms of reference of the Nomination and Remuneration Committee:

- a) The Committee shall identify the persons who are qualified to become directors and who may be appointed in Sr. Management as per the criteria laid down.
- b) The committee shall recommend to the Board the appointment and removal as well as carry out evaluation of the directors' performance.

- c) The committee shall formulate the criteria for determining qualifications, positive attribute and independence of a director.
- d) The committee shall evolve a remuneration policy for the Directors, Key Managerial Personnel and other employees. While formulating the remuneration policy, the committee shall keep in view that remuneration is reasonable and sufficient to attract and retain the desired talent in the organization and that the relationship of remuneration to the performance is clear and meets the performance bench marks.
- e) The committee shall devise policy on Board diversity.

**(iii) Attendance during the year**

The following members attended the meetings, as under, of the Nomination and Remuneration Committee held during the year ended 31st March, 2015.

Meeting held on 23.5.2014

Dr. K.C. Varshney - Chairman  
Shri B.C. Srivastava - Member

Meeting held on 25.7.2014

Dr. K.C. Varshney - Chairman  
Shri B.C. Srivastava - Member  
Shri Ravindra Prasad - Member

**(iv) Remuneration Policy**

The Company's remuneration policy has been given in the Directors' Report to the Shareholders at para 10.0.

**5. Stakeholders Relationship Committee**

**(Earlier known as Share Transfer and Shareholders' Grievance Redressal Committee) :**

(i) The Committee comprises the following Directors :

- a) Shri D.N. Bhandari - Independent Non-Executive Director - Chairman (upto 22.5.2014)
- b) Shri B.C. Srivastava-Independent Non-Executive Director - Chairman (23.5.2014 to 21.5.2015)  
- do - - Member (w.e.f.22.5.2015)
- c) Shri Satyadeva Prakash Sinha- Executive Director - Member (upto 10.4.2014)
- d) Shri Shailendra Prakash Sinha - Executive Director - Member
- e) Shri Ravindra Prasad - Non-Executive Director  
- Member ( 23.5.2014 to 21.5.2015)  
- do - - Chairman (w.e.f. 22.5.2015)

(ii) Name and designation of compliance officer

- P.K. Chaubey  
CFO & Co. Secretary

(iii) Number of shareholders' complaints received so far

- 10

(iv) Number of complaints not solved to the satisfaction of the shareholders

- Nil

(v) Number of pending complaints

- Nil

**6. General Body Meetings**

(i) Location and time where last 3 AGMs were held

Sn	AGM Sl.No.	Location	Date	Time
1	74th AGM	Kalyanpur Cements Ltd. 2&3, Dr. Rajendra Prasad Sarani, Kolkata - 700 001	11.9.2014	11.30 A.M.
2	73rd AGM	Kalyanpur Cements Ltd. 2&3, Dr. Rajendra Prasad Sarani, Kolkata - 700 001	27.9.2013	11.30 A.M.
3	72nd AGM	Kalyanpur Cements Ltd. 2&3, Dr. Rajendra Prasad Sarani, Kolkata - 700 001	29.9.2012	11.30 A.M.

In addition, the company holds Extra-Ordinary General Meetings as and when necessary.

- (ii) Special Resolutions relating to reappointment of managerial personnel and the remuneration payable to them were passed in the 72nd Annual General Meeting held on 29.9.2012 and the Extraordinary General Meeting held on 8.4.2013. A special resolution in respect of increase in borrowing power was passed in the 74th AGM held on 11.9.2014.
- (iii) No special resolution was passed during the year 2014-15 through postal ballot.
- (iv) In view of information provided at (iii) above, this is not applicable.
- (v) It is proposed to seek the shareholders' approval by postal ballot for varying the terms of remuneration payable to Shri Siddharth Prakash Sinha, the Executive Director of the Company.
- (vi) The procedure laid down in the Companies Act, 2013 for Postal Ballot as well as those in the Listing Agreement will be followed in respect of the Postal Ballot for seeking approval of the shareholders for varying the terms of remuneration payable to the Executive Director.

**7. Disclosures :****(i) Basis of related party transactions**

- a) The details of related party transactions in accordance with the provisions of the Companies Act, 2013 and the Accounting Standard – 18 issued under the Companies (Accounting Standards) Rules 2006 have been provided in para 6 of Note 19 to the Balance Sheet of the Company. The details of such transactions are placed before the Audit Committee from time to time.
- b) The transactions with the related parties are in the normal course of business only or as provided in the applicable laws.

**(ii) Disclosure of Accounting Treatment -**

In preparation of financial statements, the company has followed the norms prescribed in the Accounting Standards.

**(iii) Board Disclosures – Risk Management –**

The company has reasonable internal controls and procedures in place which help assess the risk and minimise the same. The internal controls and procedures are periodically reviewed to address the deficiencies, if any, noticed in the course of working or on the suggestions of the Auditors with a view to exercising control over risks and consequential losses. The Company has also started implementing its newly evolved Risk Management Policy which has been approved by the Audit and Risk Committee and the Board of Directors. The brief particulars of the Risk Management Policy have been provided in the Directors Report at paragraph 6.0(n).

**(iv) Proceeds from Public issue/Rights issue/Preferential issue –**

The company did not issue any share capital during the financial year 2014-15 and hence, this is not applicable. The Company however had planned to issue 1.062 crore shares on Right Basis but the issue was finally not proceeded with.

**(v) Remuneration of Directors**

(a) None of the non-Executive Directors has any pecuniary relationship/transaction with the Company.

(b) The details of remuneration paid to directors have been given below:

Rs. in Lacs

	Shri Satyadeva Prakash Sinha, Executive Chairman (Since deceased)	Shri Shailendra Prakash Sinha, Managing Director	Shri Anant Prakash Sinha, Joint Managing Director	Total
Salary	1.08	36.00	33.65	70.73
Benefits	0.71	22.03	20.76	43.50
Bonus				
Stock Option				
Pension				
Provident Fund	-	4.32	4.03	8.35
Total	1.79	62.35	58.44	122.58

The remuneration has not been broken into the "fixed" and "performance linked incentive" components.

**(c) Service Contract :**

(i) **Notice period – 12 months Notice from either side or as mutually agreed.**

**(ii) Severance Fees :**

In the event of change in the management of the company, due to either, merger, acquisition, amalgamation or restructuring of any kind, and if the new management desires to terminate the contract by giving 12 month notice as per above or the person opts to resigning prematurely within 12 month of change in management, the company undertakes to compensate the incumbent before vacation of office with the equivalent of 3 years remuneration or balance of contract period whichever is lower, including salary and house rent allowance or the last rent paid for a leased accommodation based on the actual remuneration for previous 12 months.

**(iii) Stock Option Details : Nil**

(d) The details of remuneration paid to non-Executive Directors have been given below:

In view of accumulated loss, the company does not pay any remuneration to non-executive Directors except sitting fees for attending the meetings of the Board of Directors or the Committees thereof. The details of sitting fees paid during the year ended 31st March' 2015 are as under:

Name of the Director	Amount of Sitting Fee (Rs.)
Shri B.C. Srivastava	90,000
Dr. K.C. Varshney	90,000
Shri Mahendra Lodha	40,000
TOTAL	2,20,000



- (e) Non-Executive Directors of the Company do not hold any share/convertible instruments of the Company except Mr. D.N. Bhandari who held 176 Shares (upto 30.1.2015) allotted to him on consolidation of fractional entitlements of Shareholders in terms of the Scheme of Compromise approved by the Hon'ble Calcutta High Court. These 176 shares have since been transferred in favour of Shri B.C. Srivastava, a Director of the company on cessation of Shri D.N. Bhandari as Company's Director.

(vi) **Management-**

A Management Discussion and Analysis Report containing details in the prescribed areas has been incorporated in the Directors' Report as ANNEXURE-1. No member of the Senior Management has during the year under report, entered into any financial and commercial transaction with the company.

(vii) **Shareholders**

- (a) In case of appointment or re-appointment of Directors, the requisite information is provided as under:

**a.1 Details of Shri Shailendra Prakash Sinha, proposed to be reappointed on retirement by rotation.**

Mr. Shailendra Prakash Sinha is a Commerce Graduate and a certificate holder in Hotel Management from Cornell University, USA. He has also undergone a senior Executive programme from Stanford University, USA. He has over 44 years of industrial experience.

Mr. Sinha has been associated for long with various Chambers and Trade bodies like Bihar Chamber of Commerce, Bihar Industries Association and Confederation of India Industry (CII) Bihar and he has been the President of Bihar Industries Association. He is a known industrialist in the State of Bihar. He presently holds directorship, besides in the company, in (i) Differential Technologies Ltd. (ii) Bihar State Tourism Development Corporation Ltd. and (iii) Canterbury Results Pvt. Ltd. He also holds membership in the stakeholders Relationship Committee of the Company's Board.

Mr. Sinha does not hold any shares in the Company and he is also not related with any director of the company.

**a.2 Details of Smt. Lata Ajay Srivastava**

Smt. Lata Ajay Srivastava is a graduate and is in social work for a long time. She has been a member of Inner Wheel Club of Patna which is the women wing of Rotary Club. She has been actively involved in various philanthropic activities undertaken by Rotary International. She is also a member of All India Women Conference, Bihar Chapter. She does not hold directorship in any other company. She does not hold any share in the company and she is not related with any director of the company.

The Non-Executive Directors do not hold any share in the company except as mentioned at para 7(v)(e) hereinabove.

(b) **Relationship**

None of the directors of the company is related with the directors proposed to be appointed / reappointed.

- (c) The Quarterly Results and presentations are not sent by the company to the Analysts. The company regularly sends its Quarterly Results to the Stock Exchanges where its shares are listed.
- (d) The Company has formed a Board Committee under Chairmanship of Shri Ravindra Prasad, a Non Executive Director to look into redressal of the shareholders' and investors' complaints. The Committee is now designated as Stakeholders Relationship Committee, the earlier name being Share Transfer and Shareholders' Grievance Redressal Committee.
- (e) The Board has already formed a committee known as Stakeholders Relationship Committee which was earlier known as "Share Transfer and Shareholders' Grievance Redressal Committee" for expeditious transfer of shares and the Company expeditiously transfers the shares as and when requests for such transfers are received.

- (viii) There were no occasions of penalty /strictures imposed on the company by Stock Exchange or SEBI or any Statutory Authority on any matter related to capital markets during last 3 years.
- (ix) Whistle Blower Policy has been implemented and no person willing to approach Audit Committee has been denied access to the committee.
- (x) Report on compliance of Mandatory & Non-Mandatory Requirements
  - (i) Compliance of Mandatory Requirement

All the mandatory requirements of clause – 49 have been complied with by the company
  - (ii) Non-Mandatory Requirements

The company is complying with the following non-mandatory requirements –

    - a) The Company's financial statements are unqualified financial statements
    - b) The Company has appointed a Non-Executive Independent Director as Chairman of the company and the positions of the Chairman and Managing Director are being held by separate persons.
    - c) The Internal Auditors have direct reporting relationship with the Audit Committee.

#### 8. Means of Communication

- (i) The Company publishes its quarterly results on regular basis.
- (ii) The quarterly results are published in the following Newspapers:-
  - (a) The Financial Express, Kolkata
  - (b) Pratidin, a Bengali Daily, Kolkata
- (iii) The Company has a functional website namely [www.kalyanpur.com](http://www.kalyanpur.com)
- (iv) The company does not display the official news release. In fact, the company generally does not issue news releases.
- (v) The company from time to time makes presentation to the State Govt., the Banks, Financial Institutions or the prospective lenders in relation to its financial performance. The company does not make any presentation to the Analysts.

#### 9. General Shareholder Information:

- (i) AGM date, time and venue : Monday, the 28th September, 2015 at 11.30 A.M. The Palladian Club Lounge, The Bengal Chamber of Commerce & Industry, 6, Netaji Subhas Road, Third Level Kolkata – 700 001.
- (ii) Financial Year : 2014-15
- (iii) Book closure date : 21st September, 2015 to 28th September, 2015
- (iv) Dividend payment date : Since the company does not have distributable profit, the Board of Directors have not recommended any dividend.
- (v) Listing at stock exchange : i) Calcutta Stock Exchange, Kolkata ii) BSE Ltd., Mumbai
- (vi) Stock Code : 21105 – Calcutta Stock Exchange, Kolkata  
502150 – BSE Ltd., Mumbai

**"KALYANPUR"****Cements Limited**

(vii) Market Price data : During the Financial Year 2014-15, only 3400 shares were traded at Bombay Stock Exchange. The said 3400 shares were traded as per the prices indicated below:

(Fig.in Rs.)

Month	No of Shares	High	Low
June'14	100	13.03	13.03
January'15	3300	12.60	10.82

(viii) Performance in comparison to Broad-based indices such as BSE Sensex, CRISIL Index, etc. : Since the volume of shares traded is very small, the comparison of company's shares performance with broad-based indices like BSE Sensex, CRISIL Index etc. will not be feasible.

(ix) Registrar & Transfer Agents (RTAs) : Link Intime India (P) Ltd.  
59C, Chowringhee Road, 3rd Floor,  
Kolkata-700 020,  
Phone : 033-22890540 Fax: 033-22890539  
E-Mail: [Kolkata@linkintime.co.in](mailto:Kolkata@linkintime.co.in)

x) Share transfer system : In terms of directive of SEBI to have a common agency for registration of transfers under both physical and dematerialized modes, both the transfer functions have been entrusted to the above RTAs.

(xi) Distribution of shareholding : The distribution is as under:

**Distribution of Shareholding Details : The distribution is as under**

Sl. No.	No. of Equity Shares	No. of Shareholders	No. of Shares	% of Share holdings
1.	Upto 50	696	8884	0.04%
2.	51-100	59	4980	0.02%
3.	101-500	42	9962	0.05%
4.	501-1000	20	15922	0.07%
5.	1001-5000	12	29648	0.14%
6.	5001-10000	2	18130	0.09%
7.	10001-50000	2	51742	0.24%
8.	50001-100000	2	171982	0.81%
9.	100001-500000	1	222028	1.04%
10.	500001 & above	5	20715776	97.50%
	<b>Total</b>	<b>841</b>	<b>21249054</b>	<b>100.00%</b>

**Shareholding Pattern :**

Particulars of holders	% of Shareholding
Promoters	53.30%
FIs, Banks, State Govt. Enterprises	15.48%
Other Corporate Bodies	26.80%
Public	4.42%
<b>TOTAL</b>	<b>100.00%</b>

- (xii) Dematerialization of shares & Liquidity : The company's shares have been dematerialized by CDSL with ISIN INE991E01022. NSDL has however not provided connectivity on the ground that the Company's Net Worth does not meet NSDL's criteria.
- (xiii) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, Conversion date and likely impact on equity : NIL
- (xiv) Plant location : P.O. Banjari, Dist. Rohtas, Bihar.
- (xv) Address for correspondence : (i) Head Office:  
Maurya Centre, 1-Fraser Road,  
Patna-800 001.  
(ii) Registered Office:  
2 & 3 Dr. Rajendra Prasad Sarani,  
(Formerly known as Clive Row),  
Kolkata – 700 001.
11. Compliance Certificate from Auditors : This has been obtained and is enclosed as Annexure- 8 to the Director's Report.
12. CEO/CFO Certification : As required under clause 49 of the Listing Agreement, the CEO/CFO certification is provided in the Annual Report.
13. Code of Conduct : Board of Directors have laid down a Code of Conduct for all Board members and senior management of the company. The code of conduct has been posted on the company's website. The directors and senior members of the Management of the Company have affirmed compliance with the code for the financial year 2014-15. A declaration to this effect by the Managing Director is included in the certificate provided in terms of para 12 above.

**ON BEHALF OF THE BOARD****(Shailendra Prakash Sinha)**  
Managing Director**(B.C. Srivastava)**  
Director**Place : Patna****Date : 22.5.2015**

**REMARKS OF THE AUDITORS & SECRETARIAL AUDITORS AND  
MANAGEMENT'S REPLIES**

Sn.	Remarks	Explanation
A	Remarks contained in Independent Auditors report	
A.1	Report on other Legal & Regulatory Requirements	
i)	The company has pending litigations which impact its financial positions	The company has filed cases against various persons and similarly various parties have also filed cases against the company in the normal course of business. These cases mainly are in the nature of civil disputes and have arisen due to disputes of the varied nature. The impact of such cases, till concluded, is unquantifiable. Cases having significant financial implication have already been disclosed as contingent liability in Note 19 to the Balance Sheet.
A.2	Emphasis on matters	
i)	As stated in para 1.1 and 1.2 of Note 19 to the Balance Sheet, the claims of BSEB are disputed in respect of 33 KV and 132 KV power connections. The nature of dispute & the details relating thereto have been explained in the above paragraphs of Note 19.	The amounts in dispute have been disclosed in para 1.1 & 1.2 of Note 19 to the Balance Sheet. The appropriate details in the matter have also been provided in Note-19.
ii)	In terms of para 4 of Note 19 to the Balance Sheet, Documents and papers relating to all the immovable properties including land at Banjari are deposited with IFCI Ltd. which assigned its loan earlier granted to the Company to Arcil – Kalyanpur Cements Ltd. Trust.	This is a statement of fact and the company enjoys peaceful possession of all its immovable properties.
iii)	Without qualifying our opinion, though the accounts have been drawn on going concern concept, the accumulated losses at the end of current financial year considering the loss of Rs. 3470.84 Lacs for the year amount to Rs. 34669.64 Lacs against the capital and reserve of Rs. 4836.54 Lacs which leaves a negative networth of Rs.29833.10 Lacs. In view of this negative networth, ability of the Company to continue as a going concern is dependent upon the Company's performance after the scheme sanctioned by BIFR. Reference may be made to clause no. (x) of annexure to Auditors Report read with para 5 of Note 19 to the Balance Sheet.	The Company is registered with the Board for Industrial & Financial Reconstruction (BIFR). The Revival Scheme sanctioned and circulated by BIFR in Feb'12 is under implementation. The parameters envisaged in the Sanctioned Scheme could not be attained due to various unforeseen economic reasons which led to unsatisfactory operation & loss in last 3-4 years. This necessitated a relook at the Sanctioned Scheme and accordingly, the company has approached BIFR for modification in the Scheme by considering grant of some additional reliefs & concessions besides re-schedulement of various dues including statutory dues. On full implementation of the Sanctioned Scheme as well as the modifications therein with the approval of BIFR, it is expected that the Company's operation and financial position will show improvement and the company therefore is expected to continue as a going concern.

A.3	Annexure to Independent Auditors Report	
i)	<p>According to information and as explained to us, there have been delays in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Value added tax, Service Tax, Excise Duty, cess and other statutory dues with the appropriate authorities. The extent of arrears as on 31st March, 2015 in respect of dues over six months are as below :-</p> <p>a) Royalty on Limestone &amp; Cement cess - Rs.1612.90 Lacs. As per information and explanation received, Royalty dues including the dues as per BIFR sanctioned scheme amount to Rs. 1612.90 Lacs.</p> <p>b) Cement Regulation Account - Rs.208.23 Lacs. The above dues of Cement Regulation Account have been settled in the Scheme sanctioned by BIFR and are payable as per the sanctioned scheme. It has been explained that Company has challenged the said dues in the Hon'ble Delhi High Court and the case is yet to be decided.</p> <p>c) Provident Fund, EPS, - Rs.1530.28 Lacs</p> <p>d) Tax deducted at Source (TDS) – Rs. 201.88 Lac.</p> <p>e) VAT dues for the F.Y. 2014-15 - Rs. 1983.95 lacs. All the dues except at (b) above are undisputed.</p>	<p>Due to adverse macro economic conditions causing low demand for cement, consequent poor sales realization and steep escalation in cost of inputs mainly power and fuel, the company's financial position deteriorated sharply in last few years including the financial year under report resulting in liquidity constraint. As a result, various statutory dues could not be paid in time. The Company, in its proposed Modified Draft Rehabilitation Scheme (MDRS) submitted to BIFR has sought re-schedulement of these dues and their payment in installments.</p>
ii)	<p>According to the information and as explained to us, the accumulated losses at the end of financial year are not less than fifty percent of its net worth. It has made Cash Loss in the current as well as in the immediately preceding financial year.</p>	<p>This is a statement of fact and as a result of erosion of the company's total net worth, it is already registered with BIFR as explained in reply to Auditors comment at para (iii) of the "Emphasis on matters" part of the Report. The explanations given in reply to para (vii) of the Annexure to the Auditors Report may also be referred to.</p>
iii)	<p>Some default has taken place in payment of the Central Excise loan of the Government of India disbursed through IFCI Ltd. as referred to in Note 4 to the Balance Sheet.</p>	<p>Out of the total Central Excise loan of the Govt. of India amounting to Rs. 9.72 Crs., the Company has since paid Rs. 2.70 crs. and the amount of Rs.7.02 Crs. is due. This was to be paid in three years i.e. 2012-13, 2013-14 &amp; 2014-15. Due to unsatisfactory operations and performance during last 3-4 years, the dues could not be paid. The Company is seeking re-schedulement of the dues through the Modified Draft Rehabilitation Scheme submitted to BIFR.</p>
B.	Remarks contained in Secretarial Audit Report	
a)	<p>In few cases, the forms were filed with delay by paying additional fees as prescribed in the Companies Act, 2013.</p>	<p>Some delay took place in filing a few forms which were filed with additional fees.</p>

b)	The company is under BIFR (registered in view of erosion of its Net Worth). Due to its poor financial position, the company has not been regular in payment of statutory dues, dues to employees and some other dues, including Excise Loan from Govt. of India and interest accrued and due on statutory liabilities and borrowings.	The company has been facing financial difficulties due to various economic reasons and as a result of the loss incurred in the past, the company was registered as a sick industrial company with the Board for Industrial & Financial Reconstruction (BIFR). Due to unsatisfactory operation and difficult financial condition in last 3-4 years, various statutory dues & secured debts could not be paid in time. The company presently is in the process of implementing the Revival Scheme sanctioned by BIFR in 2012. Since the parameters envisaged in the Sanctioned Scheme could not be attained due to various unforeseen reasons, the company has approached BIFR for modification of the Sanctioned Scheme by considering additional reliefs & concessions besides grant of re-schedulement of dues.
c)	The company, during the financial year, withdrew a resolution passed in preceding financial year for Rights Issue of shares as the company decided not to proceed with the same.	The company decided not to proceed with the Rights Issue by following the due process of law i.e. obtaining the approval of the Board of Directors to withdraw the issue and the company also informed the Securities & Exchange Board of India (SEBI) as well as Stock Exchanges.
d)	In terms of approved Scheme of Compromise, the preference shares of the company were to be redeemed in financial years 2009-10, 2010-11 and 2011-12 in equal annual installment of Rs. 2.21 Crs. However, due to non-availability of profit for distribution of dividend or fresh proceeds of shares, the preference shares of the company, under the circumstances, could not be redeemed, based on the legal opinion received by the company.	This is a statement of fact and the preference shares could not be re-deemed due to non-availability of profit for distribution of dividend or fresh proceeds of shares and accordingly the redemption could not be made which was in consonance with the provisions of law. This is also based on legal opinion obtained from eminent firm of lawyers.
e)	On approval of the Scheme of Compromise by the Hon'ble Calcutta High Court on 21st November 2006, the preference shares carry a coupon rate of 0.1%. The cumulative dividend, on such shares, from the approval of scheme till the close of the financial year under reporting accumulated to Rs. 5.53 lacs (Five lacs Fifty-three thousand rupees only).	The accumulated dividend of Rs. 5.53 lacs on Cumulative Redeemable Preference Shares has been disclosed as contingent liability in para 1.5 of Note 19 to the Balance Sheet as at 31.03.2015.
f)	As per the Scheme sanctioned by the BIFR, the unsecured loan of Rs. 200 lacs are convertible into equity shares at par with a lock-in period of three years from the date of allotment.	BIFR Sanctioned Scheme provides for conversion of the unsecured loan of Rs.200 lacs brought in by the promoters into equity with a lock-in period of three years from the date of allotment. The scheme however, does not lay down any time frame for conversion of the said loan and the same will be done at appropriate time.

**ON BEHALF OF THE BOARD****(Shalendra Prakash Sinha)  
Managing Director****(B.C. Srivastava)  
Director****Place : Patna  
Date : 22.5.2015**

**Statement Pursuant to Section 134 of the Companies Act, 2013  
read with the Rule 8(3) of the Companies (Accounts) Rules, 2014.**

**(A) Conservation of energy :**

- (i) the steps taken or impact on conservation of energy; : Replacement of CFL and Incandescent bulbs with LED bulbs in a phased manner
- (ii) the steps taken by the company for utilizing alternate sources of energy; : Company has conducted a study with the supplier of its Coal Mill to understand the modifications required in the coal firing circuit for use of Pet Coke as a substitute for coal. The company is also investigating installation of a waste heat recovery system that could potentially generate 3MW of power from the exhaust gases of its cement manufacturing line.
- (iii) the capital investment on energy conservation equipments; : Implementation of real time energy monitoring system to monitor and optimize power consumption

**(B) Technology absorption-**

- (i) the efforts made towards technology absorption; : Investigation of waste heat recovery system and improved heat recuperation from its clinker cooler unit
- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution; : Potential savings in fuel and power would lower variable cost of production
- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- : Not Applicable
- (a) the details of technology imported; :
- (b) the year of import; :
- (c) whether the technology has been fully absorbed; :
- (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and :
- (iv) the expenditure incurred on Research and Development. : Research Fees Rs.3.61 Lacs

**(C) Foreign exchange earnings and Outgo-**

- The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows. : Foreign Exchange earned - Nil  
(Previous Year - Nil)  
Foreign Exchange outgo - Rs. 2.00 lacs  
(Previous Year- Rs.2.72 lacs)

**ON BEHALF OF THE BOARD****(Shailendra Prakash Sinha)  
Managing Director****(B.C. Srivastava)  
Director****Place: Patna  
Date : 22.5.2015**



**Kalyanpur Cements Ltd.**

Particulars of the employees in receipt of remuneration in excess of prescribed limit pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules - 2014

Sl. No.	Particulars	Sri Shailendra Prakash Sinha (Employed during full year)	Sri Aditya Prakash Agarwal (Employed during part of the year)
1	Designation	Managing Director	President-Manufacturing
2	Remuneration Received	Rs.62.35 Lacs	Rs.0.67 Lacs
3	Nature of Employment	Contractual	Contractual
4	Qualification & Experience	B.Com, Certificate holder in Hotel Management from Cornell University Senior Executive Programme, Stanford University Experience - 44 Years	B.E.(Hons) EEE from BITS, Pilani Experience - 36 years in various Cement Companies.
5	Date of commencement of Employment	23rd February, 2007	27th March, 2015
6	Age of the Employee	65 Years	56 Years
7	Last employment held	Chief Executive, Kalyanpur Cements Ltd.	Joint President, Prism Cements Ltd.
8	Percentage of Equity Shares	Nil	Nil
9	Whether relationship of any Director or Manager	N.A.	N.A.

ON BEHALF OF THE BOARD

(Shailendra Prakash Sinha)  
Managing Director

(B.C. Srivastava)  
Director

Place: Patna  
Date : 22.5.2015

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015.

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

To,  
The Members,  
Kalyanpur Cements Limited  
2 & 3 Dr. Rajendra Prasad Sarani  
(Earlier Known as 2 & 3 Clive Row  
Kolkata (W.B) - 700001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **KALYANPUR CEMENTS LIMITED (CIN: L26942WB1937PLC009086)**. Secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the **Kalyanpur Cements Limited** books, papers, minute books, forms and returns filed and other records maintained by the company, and also the information provided by the company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **31st March, 2015** complied with the statutory provisions listed hereunder and also that the company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms, and returns, filed and other record maintained by **KALYANPUR CEMENTS LIMITED (CIN:L26942WB1937PLC009086)** for the financial year ended on 31st March' 2015 according to the provisions of:

- i) The Companies Act' 2013 (the Act) and the rules made there under;
- 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):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
  - b) The Securities and Exchange Board of India (Prohibition of Insider trading) Regulations, 1992;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) 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; and
- f) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;
- vi) The Listing Agreement of the company with BSE and Calcutta Stock Exchange;
- vii) Environment (Prevention of Pollution Control) Act, 1986;
- viii) Central Excise Act, 1944;
- ix) Cement (Quality Control) Order, 2003;
- x) Mines and Minerals (Development and Regulation) Act, 1957;
- xi) Explosives Act, 2008;
- xii) Employees Provident Funds & Miscellaneous Provisions Act, 1952;
- xiii) Factories Act, 1948;
- xiv) Payment of Gratuity Act, 1972;
- xv) Income Tax Act, 1961;
- xvi) Memorandum of Association and Articles of Association of 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:

- (A) In few cases, the forms were filed with delay by paying additional fees as prescribed in the Companies Act, 2013.
- (B) The company is under BIFR (registered in view of erosion of its Net Worth). Due to its poor financial position, the company has not been regular in payment of statutory dues, dues to employees and some other dues, including Excise Loan from Govt. of India and interest accrued and due on statutory liabilities and borrowings.
- (C) The company, during the financial year, withdrew a resolution passed in preceding financial year for Rights Issue of shares as the company decided not to proceed with the same.
- (D) In terms of approved Scheme of Compromise, the preference shares of the company were to be redeemed in financial years 2009-10, 2010-11 and 2011-12 in equal annual instalment of Rs. 2.21 Crs. However, due to non-availability of profit for distribution of dividend or fresh proceeds of shares, the preference shares of the company, under the circumstances, could not be redeemed, based on the legal opinion received by the company.
- (E) On approval of the Scheme of Compromise by the Hon'ble Calcutta High Court on 21st November 2006, the preference shares carry a coupon rate of 0.1%. The cumulative dividend, on such shares, from the approval of scheme till the close of the financial year under reporting accumulated to Rs. 5.53 lacs (Five lacs Fifty-three thousand rupees only).
- (F) As per the Scheme sanctioned by the BIFR, the unsecured loan of Rs. 200 lacs are convertible into equity shares at par with a lock-in period of three years from the date of allotment.

I/We further report that:

The Board of Directors of the company is duly constituted with proper balance of Executive Directors and Non-executive Directors and Independent as well as Non-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 in most cases, 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 only in cases where such members specifically demand for recording the same.

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

I further report that the Government of Bihar had declared some areas, allotted to the company for obtaining Lime Stones (Raw Material for the company's production unit), as Wildlife Sanctuary. But the State Government has now taken steps to re-draw the boundary of the sanctuary for taking the limestone area out of the sanctuary area.

**For A. KUMAR & ASSOCIAES  
COMPANY SECRETARIES**

**AJAY KUMAR  
PROPRIETOR**

Place: Patna  
Date: 16th May, 2015

**FCS No.: 5204  
C.P. No.: 3433**

Date : 22nd May, 2015

**CERTIFICATE**

To the Members of

**KALYANPUR CEMENTS LIMITED**

We have examined the compliance of conditions of Corporate Governance by KALYANPUR CEMENTS LIMITED, for the period ended on 31 March, 2015 as stipulated in clause 49 of the Listing Agreement of the said company with stock exchange(s).

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

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

We certify that the company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We state that no investor grievance(s) is pending against the company as per the records maintained by the Stakeholders Relationship Committee.

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

For and on behalf of  
M MUKERJEE & CO.  
Chartered Accountants

(Spandan Sengupta)  
Partner  
Membership No.135833  
FRN No.303013E

22nd May, 2015

To  
The Board of Directors  
Kalyanpur Cements Ltd.  
2 & 3, Dr. Rajendra Prasad Sarani  
Kolkata – 700 001.  
Dear Sirs,

Sub: CEO/CFO Certification in terms of Clause 49 of Listing Agreement

We hereby certify that we have reviewed the Balance Sheet, Profit & Loss Statement, Notes annexed to the Balance Sheet and Profit & Loss Statement and Cash Flow Statement of the company for the year ended 31st March, 2015 and to the best of our knowledge and belief, we declare that

- 1.1 These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading.
- 1.2 These statements together present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- 1.3 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. The Directors as well as Senior Members of Management have also affirmed compliance with the Code of Conduct.
- 1.4 We accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the Internal Control System of the Company pertaining to financial reporting and that we have disclosed to the auditors and the Audit and Risk Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- 1.5 We have indicated to the Auditors and the Audit and Risk Committee
  - (a) Significant changes in the Internal Control over financial reporting during the year.
  - (b) That the accounting policies followed during the earlier year have been consistently applied during the financial year ended on 31.03.2015.
- 1.6 We have not become aware of any significant fraud during the year ended 31st March, 2015.

For KALYANPUR CEMENTS LTD.

(SHAIENDRA P. SINHA)  
MANAGING DIRECTOR

(P. K. CHAUBEY)  
CHIEF FINANCIAL OFFICER  
& CO. SECY.

## INDEPENDENT AUDITOR'S REPORT

To the Members of Kalyanpur Cements Limited

### Report on the Financial Statements

1. We have audited the accompanying financial statements of Kalyanpur Cements Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information —

### Management's Responsibility for the Financial Statements

2. The management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation of these 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 Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are 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

3. Our responsibility is to express an opinion on these 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 there under. 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
4. 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 a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

### Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the 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:
  - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
  - (b) In the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
  - (c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters Specified in paragraphs 3 and 4 of the Order.
8. As required by section 143(3) of the Act, we further 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 purpose of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) The Balance Sheet, 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 financial statements comply with the applicable 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 March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act
  - f) In our opinion and to the best of our information and according to the explanations given to us, we report as under 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.
    - i. The Company has pending litigations which impact its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise
    - iii. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund.

### Emphasis on Matters

- (i) As stated in para 1.1 and 1.2 of Note 19 to the Balance Sheet, the claims of BSEB are disputed in respect of 33 KV and 132 KV power connections. The nature of dispute & the details relating thereto have been explained in the above paragraphs of Note 19.
- (ii) In terms of para 4 of Note 19 to the Balance Sheet, Documents and papers relating to all the immovable properties including land at Banjari are deposited with IFCI Ltd. Which assigned its loan earlier granted to the Company to Arcil – Kalyanpur Cements Ltd. Trust.
- (iii) **Without qualifying our opinion, though the accounts have been drawn on going concern concept, the accumulated losses at the end of current financial year considering the loss of Rs. 3470.84 Lacs for the year amount to Rs. 34669.64 Lacs against the capital and reserve of Rs. 4836.54 Lacs which leaves a negative networth of Rs.29833.10 Lacs. In view of this negative networth, ability of the Company to continue as a going concern is dependent upon the Company's performance after the scheme sanctioned by BIFR. Reference may be made to clause no. (x) Of annexure to Auditors Report read with para 5 of Note 19 to the Balance Sheet.**

For M Mukerjee & Company  
Chartered Accountants

Spandan Sengupta  
Partner  
Membership No. 135833  
Firm Registration No. 303013E  
Place: Patna  
Date: 22.05.2015



**Annexure referred to in paragraph 7 Our Report of even date to the members of Kalyanpur Cements Limited ("the Company") on the accounts of the company for the year ended 31st March, 2015**

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- (i) According to the information and as explained to us :
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The fixed assets have been physically verified by the management at reasonable intervals and material discrepancies, if any, have been properly dealt with in the books of account.
- (ii) According to the information and as explained to us :
  - a) Physical verification of inventory has been conducted at reasonable intervals by the management.
  - b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification
- (iii) The company has not granted any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for the sale of goods. Further, on the basis of our examination of the books and records of the Company and according to the information and explanations given to us, no major weakness has been noticed or reported.
- (v) The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013.
- (vi) The Company is required to maintain cost records in respect of clinker and cement production. We have broadly reviewed the books and prima facie it appears to us that the books and records are maintained. We have, however, not made a detailed examination of the books to ascertain if they are correctly maintained.
- (vii) According to information and as explained to us, there have been delays in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Value added tax, Service Tax, Excise Duty, cess and other statutory dues with the appropriate authorities. The extent of arrears as on 31<sup>st</sup> March, 2015 in respect of dues over six months are as below :-
  - a) Royalty on Limestone & Cement Cess - Rs. 1612.90 Lacs  
As per information and explanation received, Royalty dues including the dues as per BIFR sanctioned scheme amount to Rs. 1612.90 Lacs .
  - b) Cement Regulation Account - Rs.208.23 Lacs  
The above dues of Cement Regulation Account have been settled in the Scheme sanctioned by BIFR and are payable as per the sanctioned scheme. It has been explained that Company has challenged the said dues in the Hon'ble Delhi High Court and the case is yet to be decided.
  - c) Provident Fund, EPS - Rs.1530.28 Lacs
  - d) Tax deducted at Source (TDS) - Rs. 201.88 Lacs
  - e) VAT dues for the F.Y. 2014-15 - Rs. 1983.95 lacs

All the dues except at (b) above are undisputed.

According to information and as explained to us, there has been no instance wherein Income Tax or Sales

Tax or Wealth Tax or Service Tax or duty of Custom or duty of Excise or Value Added Tax or Cess have not been deposited on account of dispute.

There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund.

- (viii) **According to the information and as explained to us, the accumulated losses at the end of financial year are not less than fifty percent of its net worth. It has made Cash Loss in the current as well as in the immediately preceding financial year.**
- (ix) Some default has taken place in payment of the Central Excise loan of the Government of India disbursed through IFCI Ltd. as referred to in Note 4 to the Balance Sheet.
- (x) In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from a bank or financial institution during the year.
- (xi) In our opinion, and according to the information and explanations given to us, the company has not raised any term loan during the year.
- (xii) During the course of our examination of the books and records of the company, carried in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the Company noticed or reported during the course of our audit nor have we been informed of any such instance by the Management.

For M Mukerjee & Company.  
Chartered Accountants

Spandan Sengupta  
Partner  
Membership No. 135833  
Firm Registration No. 303013E  
Place: Patna  
Date: 22.05.2015

1. Balance b/d	1,24,74,000		
2. Balance b/f	1,78,12,400		
3. Add: Reserve for contingencies	1,00,00,000		
4. Add: Reserve for depreciation	1,00,00,000		
5. Add: Reserve for bad debts	1,00,00,000		
6. Add: Reserve for doubtful debts	1,00,00,000		
7. Add: Reserve for interest on loans	1,00,00,000		
8. Add: Reserve for interest on deposits	1,00,00,000		
9. Add: Reserve for interest on investments	1,00,00,000		
10. Add: Reserve for interest on other assets	1,00,00,000		
11. Add: Reserve for interest on other liabilities	1,00,00,000		
12. Add: Reserve for interest on other income	1,00,00,000		
13. Add: Reserve for interest on other expenses	1,00,00,000		
14. Add: Reserve for interest on other charges	1,00,00,000		
15. Add: Reserve for interest on other items	1,00,00,000		
16. Add: Reserve for interest on other matters	1,00,00,000		
17. Add: Reserve for interest on other things	1,00,00,000		
18. Add: Reserve for interest on other objects	1,00,00,000		
19. Add: Reserve for interest on other purposes	1,00,00,000		
20. Add: Reserve for interest on other uses	1,00,00,000		
21. Add: Reserve for interest on other occasions	1,00,00,000		
22. Add: Reserve for interest on other events	1,00,00,000		
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99. Add: Reserve for interest on other occasions	1,00,00,000		
100. Add: Reserve for interest on other occasions	1,00,00,000		

**"KALYANPUR"****Cements Limited****Balance Sheet as on 31st March, 2015**

₹ Lacs

	Note No.	Figures as at the end of Current reporting period ended 31st March, 2015	Figures as at the end of previous reporting period ended 31st March, 2014
<b>I. Equity and Liabilities</b>			
1.0 Shareholders' Funds			
a) Share Capital	1	2,787.14	2,787.14
b) Reserves & Surplus	2	(32,620.24)	(29,149.40)
c) Money received against share warrants		-	-
<b>Total Shareholder's Fund</b>		<b>(29,833.10)</b>	<b>(26,362.26)</b>
2.0 Share application money pending allotment		-	-
3.0 Non-Current Liabilities	3		
a) Long-term borrowings		9,510.85	9,510.85
b) Deferred Tax Liabilities(Net)		0.00	0.00
c) Other Long term Liabilities		1,759.37	1,752.02
d) Long-term provisions		1,630.35	1,654.52
<b>Total Non-Current Liabilities</b>		<b>12,900.57</b>	<b>12,917.39</b>
4.0 Current Liabilities	4		
a) Short-term borrowings		1,452.63	841.95
b) Trade Payables		8,203.79	7,411.21
c) Other Current Liabilities		18,435.11	17,924.80
d) Short-term provisions		125.39	202.53
<b>Total Current Liabilities</b>		<b>28,216.92</b>	<b>26,380.49</b>
5.0 Total Equity & Liabilities		<b>11,284.39</b>	<b>12,935.62</b>
<b>II Assets</b>			
1.0 Non-Current Assets			
a) Fixed Assets	5		
i) Tangible Assets		5,823.61	6,285.11
ii) Intangible Assets		1.39	1.39
iii) Capital Work-in-progress		-	-
iv) Intangible Assets under development		-	-
<b>Total Fixed Assets</b>		<b>5,825.00</b>	<b>6,286.50</b>
b) Non-Current Investments		-	-
c) Deferred Tax Assets (Net)		-	-
d) Long Term Loans & Advances	6	1,987.40	2,207.50
e) Other Non-Current Assets		-	-
<b>Total Non-Current Assets</b>		<b>7,812.40</b>	<b>8,494.00</b>
2.0 Current Assets	7		
a) Current Investments		-	-
b) Inventories		1,835.62	2,008.98
c) Trade Receivables		164.35	204.39
d) Cash & Cash Equivalants		153.04	238.39
e) Short Term Loans & Advances	8	745.14	1,403.19
f) Other Current Assets	9	573.84	586.67
<b>Total Current Assets</b>		<b>3,471.99</b>	<b>4,441.62</b>
<b>Total Assets</b>		<b>11,284.39</b>	<b>12,935.62</b>
Accounting Policies	18		
Notes to Balance Sheet	19		

This is Balance Sheet referred to in our report of even date

24, Netaji Subhash Road,  
Kolkata 700 001  
Camp : Patna

Date: 22 May,2015

**M.Mukerjee & Co.**  
Chartered AccountantsSpandan Sengupta  
Partner  
Membership No. 135833  
FRN - 303013EP.K.Chaubey  
Chief Financial Officer  
& Company SecretaryDr. K.C. Varshney  
ChairmanShailendra P.Sinha  
Managing DirectorB.C.Srivastava  
Director

**Profit & Loss Statement for the year ended 31st March, 2015**

₹ Lacs			
Particulars	Note No.	Figures for the Current reporting period ended 31st March, 2015	Figures for the previous reporting period ended 31st March, 2014
<b>I Revenue</b>			
1 Revenue from Operations	10		
Sales Revenue		19,830.88	26,446.06
Less: Excise Duty		2,678.17	3,784.08
<b>Revenue from Operations (Net)</b>		<b>17,152.71</b>	<b>22,661.98</b>
<b>II Other Income</b>	11	2,733.12	3,003.94
<b>III Total Revenue</b>		<b>19,885.83</b>	<b>25,665.92</b>
<b>IV Expenses</b>			
1 Cost of Materials Consumed	12	2,436.82	3,502.73
2 Other Manufacturing Expenses	13	12,981.41	15,226.40
3 Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	14	(197.71)	534.01
4 Employee benefits Expenses	15	3,691.25	3,478.67
5 Finance Costs	16	1,195.77	1,808.92
6 Depreciation		487.19	768.34
7 Freight & Selling Expenses		2,230.46	2,851.16
8 Other Expenses	17	531.48	609.46
9 <b>Total Expenses</b>		<b>23,356.67</b>	<b>28,779.69</b>
<b>V Profit before exceptional and extraordinary items and Tax(III-IV)</b>		<b>(3,470.84)</b>	<b>(3,113.77)</b>
<b>VI Exceptional Items</b>			
<b>VII Profit before extraordinary items and Tax(V-VI)</b>		<b>(3,470.84)</b>	<b>(3,113.77)</b>
<b>VIII Extraordinary Items</b>		-	
<b>IX Profit before Tax(VII-VIII)</b>		<b>(3,470.84)</b>	<b>(3,113.77)</b>
<b>X Tax Expenses:</b>			
1 Current Tax -FBT			5.51
2 Deferred Tax			
<b>XI Profit/(Loss)for the period from continuing operations(IX-X)</b>		<b>(3,470.84)</b>	<b>(3,119.28)</b>
<b>XII Earnings per equity share:</b>			
1 Basic		(16.33)	(14.68)
2 Diluted			
<b>Accounting Policies</b>	18		
<b>Notes to Profit &amp; Loss Statement</b>	20		

This is Profit & Loss Statement referred to in our report of even date

24, Netaji Subhash Road,  
Kolkata 700 001  
Camp : Patna

Date: 22 May,2015

**M.Mukerjee & Co.**  
Chartered Accountants

Spandan Sengupta  
Partner  
Membership No. 135833  
FRN - 303013E

P.K.Chaubey  
Chief Financial Officer  
& Company Secretary

**Dr. K.C. Varshney**  
Chairman

**Shallendra P.Sinha**  
Managing Director

**B.C.Srivastava**  
Director

**NOTE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET**

NOTE - 1

(₹ Lacs)			
Particulars	As at 31st March, 2015		As at 31st March, 2014
<b>1.1 SHARE CAPITAL</b>			
<b>Authorised Capital</b>			
Preference Shares			
44,11,766 0.1% Cumulative Redeemable Preference Shares of Rs.15/- each		661.76	661.76
2,00,82,351 Unclassified Preference Share of Rs. 10/- each		2,008.24	2,008.24
Equity Shares			
7,00,00,000 Equity Shares of Rs 10/- each		7,000.00	7,000.00
<b>Total</b>		<b>9,670.00</b>	<b>9,670.00</b>
<b>Issued &amp; Subscribed Capital</b>			
Preference Shares			
44,11,766 0.1% Cumulative Redeemable Preference Shares of Rs.15/- each		661.76	661.76
Equity Shares			
21,267,965 Equity Shares of Rs 10/- each		2,126.80	2,126.80
<b>Total</b>		<b>2,788.56</b>	<b>2,788.56</b>
<b>Paid-up Capital</b>			
Preference Shares			
44,11,766 0.1% Cumulative Redeemable Preference Shares of Rs.15/- each		661.76	661.76
Equity Shares			
21,249,054 Equity Shares of Rs 10/- each	2,124.91		2,124.91
Add :Forfeited Shares (Amount originally paid-up)	0.47	2,125.38	0.47 2,125.38
<b>Total</b>		<b>2,787.14</b>	<b>2,787.14</b>

1.2 Redemption of Preference Shares: In terms of the Scheme of Compromise approved by the Hon'ble Calcutta High Court, the Preference shares were to be redeemed in three annual installments i.e. 2009-10, 2010-11 and 2011-12 @ Rs. 2.21 Crs. every year. The Companies Act, 1956, however, provides that the Preference shares can be redeemed either out of the profit available for distribution of dividend or out of the fresh proceeds of shares issued for the said purpose. Since the company did not either have profit available for distribution of dividend or any fresh proceed of shares, a legal opinion was obtained from M/s. Khaitan & Co., Advocates & Solicitors, Kolkata whether the preference shares could be redeemed by the company. They have opined that the Preference shares of the company could not be redeemed under the present circumstances.

1.3 There is no change in the number of shares at the end of the reporting period as compared to the same at the beginning of the reporting period.

1.4 The Company does not have any holding company or ultimate holding company.

1.5 The details of share holding exceeding 5% at the beginning and end of the reporting periods are as under:

Sl. No.	Name of Share holder	As on 31.03.2015		As on 31.03.2014	
		No. of shares	Holding (%)	No. of shares	Holding (%)
1	Maurya Management Pvt.Ltd.	1,125,342	5.31	1,125,342	5.31
2	Asset Reconstruction Co. (India) Ltd.	3,079,000	14.49	3,079,000	14.49
3	Elate Investments & Holdings (Pvt.) Ltd.	5,420,000	25.51	5,420,000	25.51
4	Vivid Colors Pvt. Ltd.	10,200,000	48.00	10,200,000	48.00
	<b>Total</b>	<b>19,824,342</b>	<b>93.31</b>	<b>19,824,342</b>	<b>93.31</b>

1.6 The Preference Shares carry the preferential rights as provided in the Companies Act, 1956. There is no restriction on distribution of dividends and repayment of Capital with respect to any shares and the same would be governed by the provisions of the Companies Act, 1956.

1.7 No Shares have been reserved for issue under options and contracts /commitments for the sale of shares / disinvestments.

1.8 No shares have been allotted as fully paid up pursuant to contracts without payment being received in cash.

1.9 No bonus shares have been issued and no shares have been bought back.

1.10 No convertible securities are outstanding at the end of the reporting period nor any calls are unpaid.

**NOTE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET**

**NOTE - 2**

(₹ Lacs)

Particulars	As at 31st March, 2015	As at 31st March, 2014
<b>RESERVES AND SURPLUS</b>		
<b>Capital Reserves</b>		
As per last account	0.11	0.11
<b>Security Premium Reserve</b>		
As per last account	2,049.29	2,049.29
<b>Surplus</b>		
As per last account	(31,198.80)	(28,079.52)
Add: Net Profit/(Loss) transferred from Profit/(Loss) Statement	(3,470.84)	(3,119.28)
Surplus i.e. balance in Profit & Loss Statement	(34,669.64)	(31,198.80)
<b>Total</b>	<b>(32,620.24)</b>	<b>(29,149.40)</b>

**NOTE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET****NOTE - 3****(₹ Lacs)**

Particulars	As at 31st March, 2015	As at 31st March, 2014
<b>3.1 Non-Current Liabilities</b>		
<b>(a) Long Term Borrowings</b>		
<b>1 Bonds / Debentures (Secured)</b>		
Non-Convertible Debentures		
Assets Care & Reconstruction Enterprise Ltd.	7,945.85	7,945.85
<b>2 Term Loans</b>		
Assets Care & Reconstruction Enterprise Ltd.	1565.00	1565.00
<b>Total</b>	<b>9,510.85</b>	<b>9,510.85</b>
<b>(b) Deferred Tax Liabilities (Net)</b>		
<b>(c) Other Long Term Liabilities (Unsecured)</b>		
1 Unsecured Loan from Related Parties	100.00	100.00
2 Other Long Term Liabilities (Unsecured)	1,659.37	1,652.02
<b>Total</b>	<b>1,759.37</b>	<b>1,752.02</b>
<b>(d) Long Term Provisions</b>		
1 Accrued Leave Liabilities	269.60	287.11
2 Accrued Gratuity Liabilities	1,360.75	1,367.41
<b>Total</b>	<b>1,630.35</b>	<b>1,654.52</b>
<b>Total</b>	<b>12,900.57</b>	<b>12,917.39</b>

- 3.2 The Non-Convertible Debentures (NCDs) have been secured by creating mortgage on land at Chimur, district Chandrapur, Maharashtra in favour of Debenture Trustees namely IDBI Trusteeship Services Ltd., Mumbai besides mortgage on all other immovable properties.
- 3.3 The NCDs were transferred in favour of ACRE pursuant to an MOU, with a provision of buy back of NCDs by Vivid Colors Pvt. Ltd. on clearing the dues of Rs.15.65 Crores by KCL to ACRE Ltd. The transaction would be concluded as per the MOU dated 28th June, 2013.
- 3.4 As per Scheme of Compromise, approved by the Hon'ble Calcutta High Court no interest is payable on the Non-Convertible Debentures.
- 3.5 As per the Scheme sanctioned by BIFR, the unsecured loans of Rs.200 lacs [Rs.100 lacs at 3.1 (c)(1) and Rs.100 lacs included in 3.1 (c)(2)] are convertible into equity shares at par with a lock-in period of 3 years from the date of allotment.

**NOTE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET****NOTE - 4****(₹ Lacs)**

<b>Particulars</b>	<b>As at 31st March, 2015</b>	<b>As at 31st March, 2014</b>
<b>4.1 Current Liabilities</b>		
<b>(i) Short Term Borrowings</b>		
(a) Loan Repayable on Demand		
Loans from Banks	73.74	31.95
(b) Other Loans & Advances	1,378.89	810.00
<b>Total</b>	<b>1,452.63</b>	<b>841.95</b>
<b>(ii) Trade Payables</b>		
(a) Sundry Creditors for Supply & Services	8,147.85	7,369.30
(b) Sundry Creditors -Micro and Small Enterprises	55.94	41.91
<b>Total</b>	<b>8,203.79</b>	<b>7,411.21</b>
<b>(iii) Other Current Liabilities</b>		
(a) Current Maturities of Long Term Debts		
Excise Loan from Govt. of India	702.37	702.37
(b) Interest Accrued and due on Borrowings	180.57	103.59
(c) Interest Accrued and due on Statutory Liabilities	1,051.29	737.94
(d) Unpaid Matured Debentures	-	-
(e) Other Payables	16,500.88	16,380.90
<b>Total</b>	<b>18,435.11</b>	<b>17,924.80</b>
<b>(iv) Short Term Provisions</b>		
(a) Provision for Employee Benefits		
Accrued Leave Liabilities	11.55	40.80
Accrued Gratuity Liabilities	112.45	160.36
Bonus	1.39	1.37
(b) Others		
<b>Total</b>	<b>125.39</b>	<b>202.53</b>
<b>Total</b>	<b>28,216.92</b>	<b>26,380.49</b>

4.2 Loans from Banks (Sl.No.(i)(a) include the loans of Rs.33.96 Lacs (Prev.Yr.Rs.31.95 Lacs) against Fixed Deposits and overdraft of Rs.39.78 Lacs (Prev. Yr. Rs.0.00 Lacs).



**NOTE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET**

NOTE - 4

NOTE - 4

(₹ Lacs)

(₹ Lacs)

Particulars	As at 31st March, 2015	As at 31st March, 2014
<b>4.3 Status of Security</b>		
Following amounts are secured by mortgage on Fixed Assets of the Company		
Current Maturities of Long Term Debts		
Excise Loan from Govt. of India	702.37	702.37
<b>Total</b>	<b>702.37</b>	<b>702.37</b>

The Interest free Central Excise Loan from Govt. of India disbursed through IFCI Ltd. has been secured by creating mortgage on immovable properties of the Company.

**4.4 Details of continuing defaults**

Sl. No.	Name of Lenders	Default as on 31st Mar'15	Period of Default	Default as on 31st Mar'14	Period of Default
1	Excise Loan from Govt. of India	702.37	Payable on 31st Mar'15	352.00	Payable on 31st Mar'14
	<b>Total</b>	<b>702.37</b>		<b>352.00</b>	

**NOTE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET**

**NOTE - 5**  
(₹ Lacs)

**FIXED ASSETS**

Sl. No.	Description of Assets	GROSS BLOCK				DEPRICIATION			NET BLOCK		
		Cost upto 31-Mar-14 (1)	Additions during Year 2014-15 (2)	Sold or Discarded during Year 2014-15 (3)	Cost upto 31-Mar-15 (4)	Deprecia-tion upto 31-Mar-14 (5)	Adjustment of depreciation on Sold/ Discarded Assets 2014-15 (6)	Provision for depreciation 2014-15 (7)	Total Depreciation upto 31-Mar-15 (5-6+7) (8)	As on 31-Mar-15 (9)	As on 31-Mar-14 (10)
<b>Tangible Assets</b>											
1	Land	3.92	0.00	0.21	3.71	0.00	0.00	0.00	0.00	3.71	3.92
2	Quarry Development	1,605.21	0.00	0.00	1,605.21	1,173.22	0.00	72.16	1,245.38	359.83	431.99
3	Plant & Machinery	24,379.95	21.16	0.00	24,401.11	19,650.39	0.00	326.76	19,977.15	4,423.96	4,729.56
4	New Building Factory	1,729.70	0.00	0.00	1,729.70	1,086.85	0.00	56.96	1,143.81	585.89	642.85
5	New Building Non-factory	446.68	0.00	0.00	446.68	140.73	0.00	7.14	147.87	298.81	305.95
6	Railway Siding	670.47	0.00	0.00	670.47	618.03	0.00	4.19	622.22	48.25	52.44
7	Furniture & Fittings	45.64	0.00	0.00	45.64	31.76	0.00	1.38	33.14	12.50	13.88
8	Motor Cars	79.04	0.00	0.00	79.04	38.58	0.00	9.82	48.40	30.64	40.46
9	Roads & Bridges	10.36	0.00	0.00	10.36	9.83	0.00	0.00	9.83	0.53	0.53
10	Office Equipments	279.95	4.74	0.00	284.69	233.98	0.00	7.94	241.92	42.77	45.97
11	Electrical Equipments	128.86	0.00	0.00	128.86	111.30	0.00	0.84	112.14	16.72	17.56
<b>Total Tangible Assets</b>		<b>29,379.78</b>	<b>25.90</b>	<b>0.21</b>	<b>29,405.47</b>	<b>23,094.67</b>	<b>0.00</b>	<b>487.19</b>	<b>23,581.86</b>	<b>5,823.61</b>	<b>6,285.11</b>
<b>Intangible Assets</b>											
1	Software	5.88	0.00	0.00	5.88	4.49	0.00	0.00	4.49	1.39	1.39
<b>Total Tangible &amp; Intangible Assets</b>		<b>29,385.66</b>	<b>25.90</b>	<b>0.21</b>	<b>29,411.35</b>	<b>23,099.16</b>	<b>0.00</b>	<b>487.19</b>	<b>23,586.35</b>	<b>5,825.00</b>	<b>6,286.50</b>
<b>Figures for Previous Year</b>		<b>29,378.32</b>	<b>7.49</b>	<b>0.15</b>	<b>29,385.66</b>	<b>22,330.82</b>	<b>0.00</b>	<b>768.34</b>	<b>23,099.16</b>	<b>6,286.50</b>	

**NOTE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET**

**NOTE - 6**

(₹ Lacs)

Particulars	As at 31st March, 2015	As at 31st March, 2014
<b>6.1 Non-Current Assets</b>		
<b>Long Term Loans &amp; Advances</b>		
(a) Capital Advance	-	-
(b) Security Deposits	316.69	536.79
(c) Other Loans & Advances	1,670.71	1,670.71
<b>Total</b>	<b>1,987.40</b>	<b>2,207.50</b>

Particulars	As at 31st March, 2015	As at 31st March, 2014
<b>6.2 Nature of Securities</b>		
<b>Secured, considered good</b>	-	-
<b>Unsecured, considered good</b>	<b>1,987.40</b>	<b>2,207.50</b>

**NOTE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET****NOTE - 7****(₹ Lacs)**

<b>Particulars</b>	<b>As at 31st March, 2015</b>	<b>As at 31st March, 2014</b>
<b>7.1 Current Assets</b>		
(i) <b>Current Investments</b>	0	0
(ii) <b>Inventories</b>		
(a) Raw Materials	91.21	111.30
(b) Work in Progress	311.88	164.63
(c) Finished Goods	173.87	114.72
(e) Stores & Spares	1,258.66	1,618.33
<b>Total</b>	<b>1,835.62</b>	<b>2,008.98</b>
(iii) <b>Trade Receivable</b>		
(a) Trade Receivable due for a period exceeding 6 Months	83.62	43.01
(b) Trade Receivable due for a period upto 6 Months	80.73	161.38
<b>Total</b>	<b>164.35</b>	<b>204.39</b>
(iv) <b>Cash &amp; Cash Equivalants</b>		
(a) Balance with Banks	76.57	112.83
(b) Cheques, Drafts on hand	21.04	50.86
(c) Cash on hand	5.08	27.03
(d) Other Bank Balances (FDs)	50.35	47.67
<b>Total</b>	<b>153.04</b>	<b>238.39</b>
<b>Total Current Assets</b>	<b>2,153.01</b>	<b>2,451.76</b>

**7.2 Method of valuation of inventory**

Inventory has been valued as under

- Raw Materials & Work in Progress - At weighted average cost or net realisable value, whichever is lower.
- Finished Goods - At lower of the cost or realisable market value.
- Stores & Spares - At average cost.

**7.3 Classification of Trade Receivables based on the nature of security**

a) Secured, considered good	1.07	1.33
b) Unsecured, considered good	163.28	203.06
c) Doubtful	-	-

**7.4 Debts due by Directors or other officers of the Company or by specified class of firms or private companies.****7.5 Cash & Cash Equivalants**

a) Earmarked Balances with Banks	Nil	Nil
b) The balance at Sl. No.(iv)(d) includes the followings		
(i) The Fixed Deposits kept as margin for issue of Bank Guarantee	15.10	15.10
(ii) Fixed deposit with more than 12 month maturity	0.10	0.10
(iii) Bank deposit held as security for borrowings	35.16	32.47
c) Repatriation restrictions	N.A.	N.A.

**7.6 The Excise Duty amounts related to the closing and opening stock of Finished Goods amounting respectively to Rs. 21.28 lacs and Rs. 15.58 lacs have been included in the respective value of stocks in Silo, at depots and in transit and recognized separately under Note 14 forming part of the Profit & Loss Statement in terms of the provisions of the Accounting Standard (AS)-9.**

**NOTE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET****NOTE - 8**

Particulars	As at	
	31st March, 2015	31st March, 2014
<b>8.1 Short Term Loans &amp; Advances</b>		
(a) Loans & Advances to related parties	-	-
(b) Loans & Advances to Others	466.73	371.07
(c) Excise Duty Advance	72.60	826.61
(d) TDS/Entry Tax	205.81	205.51
<b>Total</b>	<b>745.14</b>	<b>1,403.19</b>
<b>8.2 Classification of Short Term Loans &amp; Advances based on the nature of security</b>		
a) Secured, considered good	-	-
b) Unsecured, considered good	745.14	1,403.19
c) Doubtful	-	-
<b>8.3 Loans &amp; Advances due by Directors or other officers of the Company or by specified class of firms or private companies.</b>		

**NOTE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET****NOTE - 9**

Particulars	As at	
	31st March, 2015	31st March, 2014
<b>Other Current Assets</b>		
(a) Prepaid Railway Freight	27.90	7.24
(b) Other Receivables	545.94	579.43
(c) Others	-	-
<b>Total</b>	<b>573.84</b>	<b>586.67</b>

**NOTE ANNEXED TO AND FORMING PART OF THE PROFIT & LOSS STATEMENT**

NOTE - 10

(₹ Lacs)

Particulars	For The Year Ended 31st March, 2015	For The Year Ended 31st March, 2014
<b>Revenue from Operations</b>		
Sale of Products	19,817.09	26,423.62
Other Operating Revenue	13.79	22.44
<b>Total</b>	<b>19,830.88</b>	<b>26,446.06</b>
Less:		
Excise Duty	2,678.17	3,784.08
<b>Total</b>	<b>17,152.71</b>	<b>22,661.98</b>

**NOTE ANNEXED TO AND FORMING PART OF THE PROFIT & LOSS STATEMENT**

NOTE - 11

(₹ Lacs)

Particulars	For The Year Ended 31st March, 2015	For The Year Ended 31st March, 2014
<b>Other Income</b>		
1 Value Added Tax Reimbursement (Refer 3.0 of Note 20 on Profit & Loss Statement)	508.09	1,238.95
2 Profit on Sale of Assets (Refer 10.0 of Note 20 on Profit & Loss Statement)	1,839.77	1,657.04
3 Interest Income On Fixed Deposit - Banks (including TDS Rs.0.30 Lac Current Year. Prev. Year Rs. 30 lac)	3.04	2.99
4 Dividend Income	0.00	0.00
5 Other non-operating income	382.22	104.96
<b>Total</b>	<b>2,733.12</b>	<b>3,003.94</b>

**NOTE ANNEXED TO AND FORMING PART OF THE PROFIT & LOSS STATEMENT**

NOTE - 10

NOTE - 12

(₹ Lacs)

(₹ Lacs)

Particulars	For The Year Ended 31st March, 2015	For The Year Ended 31st March, 2014
<b>Cost of Materials Consumed</b>		
Gypsum	681.01	800.77
Fly Ash	1,383.91	2,154.49
Iron Ore	365.30	498.07
Lime stone	6.60	49.40
<b>Total</b>	<b>2,436.82</b>	<b>3,502.73</b>

**NOTE ANNEXED TO AND FORMING PART OF THE PROFIT & LOSS STATEMENT**

NOTE - 13

(₹ Lacs)

Particulars	For The Year Ended 31st March, 2015	For The Year Ended 31st March, 2014
<b>Other Manufacturing Expenses</b>		
Power & Fuel	9,611.47	10,979.65
Consumption of Stores & Spare Parts	686.47	596.54
Consumption of Packing Materials	849.37	1,194.07
Repairs to Buildings	0.00	0.00
Repairs to Machinery	568.67	299.86
Repairs to Others	20.41	19.85
Mining Equipment Handling Charges	766.22	1,640.92
Royalty & Cess	359.26	357.89
Freight & Transport Charges	119.54	137.62
<b>Total</b>	<b>12,981.41</b>	<b>15,226.40</b>

**NOTE ANNEXED TO AND FORMING PART OF THE PROFIT & LOSS STATEMENT**

NOTE - 14

(₹ Lacs)

Particulars	For The Year Ended 31st March, 2015	For The Year Ended 31st March, 2014
<b>14.1 Changes in Inventories</b>		
<b>Closing Stocks</b>		
Limestone	2.11	10.80
Materials - in - process	311.88	164.63
Finished goods	173.87	114.72
<b>Total Closing Stocks</b>	<b>487.86</b>	<b>290.15</b>
<b>Opening Stocks</b>		
Limestone	10.80	226.74
Materials - in - process	164.63	184.85
Finished goods	114.72	412.57
<b>Total Opening Stocks</b>	<b>290.15</b>	<b>824.16</b>
<b>Changes in Inventories</b>		
Limestone	8.69	215.94
Materials - in - process	(147.25)	20.22
Finished goods	(59.15)	297.85
<b>Total Variation in Stocks</b>	<b>(197.71)</b>	<b>534.01</b>

14.2 The Excise Duty amounts related to the closing and opening stock of Finished Goods amounting respectively to Rs. 21.28 lacs and Rs. 15.58 lacs have been included in the respective value of stocks in Silo, at depots and in transit and recognized separately in the Profit & Loss Statement in terms of the provisions of the Accounting Standard (AS)-9.



**NOTE ANNEXED TO AND FORMING PART OF THE PROFIT & LOSS STATEMENT****NOTE - 15****(₹ Lacs)**

<b>Particulars</b>	<b>For The Year Ended 31st March, 2015</b>	<b>For The Year Ended 31st March, 2014</b>
<b>Employee Benefits Expense</b>		
Salaries & Wages	2,649.29	2,589.11
Bonus and Leave Wages	105.40	42.11
Directors' Salary & Benefits	114.23	168.14
Contribution to Provident & Superannuation Funds (including Rs. 8.35 Lac for Directors' provident fund-Prev. Year Rs.7.92 lac)	273.01	347.20
Staff Welfare Expenses	549.32	332.11
<b>Total</b>	<b>3,691.25</b>	<b>3,478.67</b>

**NOTE ANNEXED TO AND FORMING PART OF THE PROFIT & LOSS STATEMENT****NOTE - 16****(₹ Lacs)**

<b>Particulars</b>	<b>For The Year Ended 31st March, 2015</b>	<b>For The Year Ended 31st March, 2014</b>
<b>Finance Costs</b>		
<b>Interest Expense</b>		
1 On Borrowings	581.32	580.38
2 On BSEB & Statutory Dues	605.64	1,224.54
3 On Security Deposits	8.81	4.00
<b>Total</b>	<b>1,195.77</b>	<b>1,808.92</b>

**NOTE ANNEXED TO AND FORMING PART OF THE PROFIT & LOSS STATEMENT**

NOTE - 17

(₹ Lacs)

Particulars	For The Year Ended 31st March, 2015	For The Year Ended 31st March, 2014
<b>Other Expenses</b>		
1 Rent	52.89	55.23
2 Insurance	41.32	41.04
3 Rates & Taxes	6.76	2.18
4 Other Overhead Expenses		
Auditors Remuneration & Expenses		
Auditors	3.90	3.75
For Management Services	0.30	2.31
For reimbursement of expenses	3.60	3.08
Legal Expenses	21.65	34.99
Printing, Stationery & Advertisement	14.23	14.27
Postage, Telegram, Telephone & Lighting	22.08	24.40
Travelling & Motor Car Expenses	134.60	137.90
Miscellaneous Expenses	106.46	133.36
Bank Charges & Commission	9.41	11.79
Directors' Fee for Board Meeting	2.20	1.25
Research Fees	3.61	4.82
Commission on Sales	50.01	70.06
Consultation Fees & Expenses	53.74	69.03
Right Issue Expenses	4.72	0.00
<b>Total Other Expenses</b>	<b>531.48</b>	<b>609.46</b>

**KALYANPUR CEMENTS LIMITED****ACCOUNTING POLICIES ON BALANCE SHEET AND PROFIT & LOSS STATEMENT  
FOR THE YEAR ENDED 31st MARCH, 2015.****NOTE – 18**

The Financial Statements of Kalyanpur Cements Ltd. have been prepared on accrual basis of accounting. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. The Management makes reasonable estimates and assumptions which help prepare the accounts giving true and fair view of the financial position of the Company. The significant accounting policies are described as below :

1. The accounts have been drawn-up on the basis of historical cost. Impact of changing prices has not been given either in the Financial Statements or in the notes thereto.
2. Depreciation on historical cost is calculated on straight line method in terms of Section 205 (2)(b) read with Section 350 and Schedule XIV of the Companies Act, 1956. In respect of sale/disposal of fixed assets during the year, no depreciation is provided.
3. The carrying amounts of Fixed assets are reviewed at each Balance Sheet date and if there is any indication of impairment based on internal/external factors, the impairment loss is recognized wherever the carrying amount of an asset exceeds its estimated recoverable amount. Previously recognized impairment loss is further provided or reversed depending on change in circumstances.
4. Stock of Raw Materials and Work-in-Progress have been valued at weightage average cost or net realizable value, whichever is lower. Stock of Finished Goods has been valued at the lower of the cost or net realisable market value. Stores & Spares are valued at average cost.
5. Retirement benefits in the form of Gratuity and Leave are determined on actuarial basis at the end of the year.
6. Fixed assets are valued at historical cost less depreciation.
7. Contingent Liabilities as disclosed, have not been provided for. Other liabilities are accounted for in the year in which the same are determined.
8. Revenue Recognition  
Revenue is recognised to the extent that it can be reliably measured and is probable that the economic benefits will flow to the Company.  
Sale of Goods : Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods are transferred to the customer and is stated net of excise duty, sales returns and sales tax.  
Interest : Revenue is recognised on a time proportion basis taking into account the amount outstanding and the applicable rate of interest.  
Dividend : Revenue is recognised when the right to receive is established.
9. Expenses are recognised on accrual basis.
10. Transactions involving foreign exchange are translated into Rupee on the basis of prevailing exchange rates on the date of transaction. Impact of difference in exchange rate is accounted for in the year in which the transactions are finally determined.
11. Occurrences of events after the Balance Sheet date and having material effect on the revenue statements of the year under review are considered in drawing-up the accounts.
12. Company's accounts are being maintained on going concern basis.

**KALYANPUR CEMENTS LIMITED****NOTES ON BALANCE SHEET AS ON 31ST MARCH, 2015****NOTE – 19****1.0 Contingent Liabilities :****Claims against the Company not acknowledged as debt:**

- 1.1 In respect of 33KV power connection:** Prior to August'93 whereafter the company started drawing power on 132 KV line consequent upon enhancement in contract demand from 10.5 MVA to 15.0 MVA, the company used to draw power on 33 KV line. In respect of the power supplied by BSEB through 33 KV line, there were some disputes between the company and BSEB on account of difference between the enhanced tariff claimed by BSEB and the tariff admitted by the company for the period upto 31.03.1994. The total amount under dispute aggregated to Rs. 336.53 lacs against which the company advanced Rs. 272.85 lacs till 31.12.1982 under the Court Order.

According to an agreement between the company and BSEB dated 30.06.1986, a Retired Judge of Patna High Court was appointed as "Arbitrator Sole" to settle the disputes between BSEB and the company and submit his Award. While the arbitration proceedings were in progress, the "Arbitrator Sole" died and the new Arbitrator was to be appointed. However, even though the arbitration proceedings were in progress and unfortunately the "Arbitrator Sole" died, an Award, allegedly signed by the Arbitrator, was filed by BSEB in the Civil Court, Patna for making the same the Rule of the Court. Under the situation, the company has not accepted the award and has challenged its veracity.

- 1.2 Other disputes in respect of 33 KV and 132 KV lines :** The company had been representing before BSEB for resolving various disputes and after reconciliation of accounts between the company as well as BSEB, the dues payable by the company were determined as Rs. 40.75 crs. as on 31st March, 2008. The said amount included Rs. 27.10 crs. towards AMG/MMG/DPS. The company was eligible for relief of Rs. 27.10 crs. pursuant to Industrial Incentive Policy, 2006 where under a sick unit was exempted from payment of AMG/MMG/DPS for a period of five years from the date of sickness and therefore the company's actual liability was Rs. 13.65 crs. only.

However, at the time of issuing the revised Energy Bill, BSEB wrongly levied DPS of Rs. 6.27 Crs. on the ground that since the dues were reconciled as on 31st March, 2008, the company was liable to pay the said amount soon after reconciliation and since the same was not paid, the company was liable to pay DPS thereon. Although the Company did not agree with the contention of BSEB, it had, under duress signed an agreement with BSEB for payment of DPS. However, since the company had not agreed to pay the DPS on its own volition, it approached the Hon'ble Patna High Court for direction in the matter in light of the stipulations made by Hon'ble BIFR in the revival scheme sanctioned by it in October, 2011. On the specific issue of applicability of this DPS amount of Rs. 6.27 crs. the Hon'ble Patna High Court constituted a committee to decide the matter in light of the stand taken by the company and BSEB before BIFR.

The Committee appointed by the Hon'ble High Court met and decided that if the company has paid Rs. 13.65 crs. as directed by BIFR, the issue should be considered as resolved. But still the energy bill, pursuant either to the direction of the BIFR or the Hon'ble High Court is yet to be rectified. Not acknowledging the DPS of Rs. 6.27 crs., as its liability, the company has treated the same as contingent liability.

- 1.3 The company had entered into a Fuel Supply Agreement (FSA) with Central Coalfields Ltd. (CCL), a subsidiary of Coal India Ltd. (CIL) for supply of coal to meet its requirement under a Long Term Coal Linkage issued by the Govt. of India, Ministry of Energy, Deptt. of Coal. The first FSA was executed on 30.1.2004 which was valid for three years. The second FSA was executed on 25.4.2008 and the same was valid for five years which was to expire on 30.4.2013. Pursuant to the provisions of FSA, the company had furnished to CCL, a Security Deposit of Rs. 123.94 lacs by way of Bank Guarantee. The FSA provided for lifting of an Annual Contractual Quantity (ACQ) with a provision for review thereof on expiry of 3 years from the date of FSA. After substantial increase in pit head price of Coal effective from February, 2011 and in view of technical aspects of the Plant's operation, the company on expiry of three years from the date of FSA requested CCL for review of ACQ which request was followed up subsequently by the Company at the highest level.

The ACQ however, was not reviewed despite explicit provision to that effect in the FSA and CCL unilaterally terminated the same on 30.4.2013 on the ground of lifting of coal quantity which was lower than the ACQ. CCL also levied damage of Rs. 4.96 crores for not lifting the coal as per ACQ even though such damage was not leviable as the ACQ was liable to be reviewed and CCL did not review the same. They subsequently forfeited the security deposit by invoking the Bank Guarantee of Rs. 123.94 Lacs

The Company has filed a writ petition in the Hon'ble Jharkhand High Court against the unilateral and arbitrary action of CCL and considering its strong position, the company is hopeful of refund of the security amount by CCL and accordingly, the amount forfeited by them has not been considered as expenditure. The Company is confident of waiver of the damages also and this is why the same has not been acknowledged as liability.

- 1.4 **Unexecuted Capital Commitments** : Estimated amount of Contracts remaining to be executed on Capital Account and not provided for amount to Rs. 28.18 Lacs (Previous Year Rs. 26.70 Lacs ).
- 1.5 **Cummulative Dividend on Preference Shares** : On approval of the scheme of compromise by the Hon'ble Calcutta High Court, the Preference share capital was reduced by 85%. The Preference shares, after reduction of the share capital have face value of Rs. 15/- each. The said Preference shares carry a coupon rate of 0.1%. The cumulative dividend on such shares with effect from the date of approval of the scheme of compromise i.e. 21st November, 2006 till 31st March'15 amounted to Rs. 5.53 lacs.

#### **Guarantees**

- 1.6 **Counter-guarantees given by the Company** : Counter Guarantees to Banks in respect of Guarantees given by them amount to Rs.13.10 Lacs (Previous Year Rs.11.60 Lacs ).
- 2.0 As per the Rehabilitation Scheme sanctioned by BIFR, the deferred sales tax dues amounting to Rs. 700.16 lacs have been rescheduled to be paid during 2014-15. Considering the present financial position, the company could not pay the deferred sales tax dues during 2014-15 and has sought reschedulement thereof through the proposed Modified Draft Rehabilitation Scheme submitted to BIFR.
- 3.0 The declaration filed under Urban Land (Ceiling and Regulation) Act, 1976 in respect of the Company's holding in excess of the Ceiling prescribed under the Act and the application to retain these lands were made for consideration of the concerned authority. The company at present is contesting a case filed by the Appropriate authority.
- 4.0 Documents and papers relating to all the immovable properties including land at Banjari are deposited with IFCI Ltd. which assigned its loan earlier granted to the Company to Arcil - Kalyanpur Cements Ltd. Trust.

5.0 In view of erosion of its Net Worth , the company was registered with Board for Industrial & Financial Reconstruction (BIFR) as Sick Company under the provisions of Sick Industrial Companies (Special Provisions) Act,1985. BIFR sanctioned a Revival Scheme in the hearing held on 24.10.2011 and issued the same vide letter dt. 3.2.2012. The Scheme is under implementation. However, considering the deviations from the parameters laid down in the sanctioned scheme due to various economic reasons, the company has approached the Hon'ble BIFR for Modification of the Sanctioned Scheme including VAT Reimbursement for additional period of 2 ½ years provided in the Sanctioned Scheme.

6.0 Related Party disclosures

The disclosure of related party relationship and transactions with the related parties are given as under:

A. Related Party relationships:

Description of Party	Relationship
Mr. Satyadeva Prakash Sinha	Executive Chairman – Key Management Personnel (Unfortunate demise on 11.04.2014)**
Mr. Shailendra Prakash Sinha	Managing Director – Key Management Personnel
Mr. Anant Prakash Sinha	Joint Managing Director – Key Management Personnel
Mr. Siddharth Prakash Sinha	Executive Director –Key Management Personnel
Mrs. Renuka Sinha	Relative of Key Management Personnel
Mrs. Mukta Sinha	Relative of Key Management Personnel
Mr. Aditya Prakash Sinha	Relative of Key Management Personnel
Mr.Mayank Prakash Sinha	Relative of Key Management Personnel
Mr.Tanuj Prakash Sinha	Relative of Key Management Personnel
Ms. Ratika Sinha	Relative of Key Management Personnel
Mrs. Nishka Sinha	Relative of Key Management Personnel
Maurya Management Pvt.Ltd.	Enterprise under common control
Elate Investments & Holdings Pvt.Ltd.	Significant Interest in the Company (Holding 25.51% in the Company's Share Capital)
Vivid Colors Pvt. Ltd.	Earlier treated as Strategic Investor under the Scheme of Compromise approved by the Hon'ble Calcutta High Court, having significant voting power (48%) of the Company. Now pursuant to the direction of SEBI vide their letter dated 30.10.2013, M/s Vivid Colors Pvt. Ltd. have been treated as Promoter.

**B. Summary of Transactions:**

Name of transacting Related Party	Description of Relationship	Nature of Transaction	Amount of Transaction		Amount Outstanding as on	
			Current Year	Previous Year	31.03.15	31.03.14
Mr. Satyadeva Prakash Sinha **	Key Management Personnel	Remuneration	1.79	59.59	23.60	4.72
Mr. Shailendra Prakash Sinha	Key Management Personnel	Remuneration	62.35	61.05	28.75	4.90
Mr. Anant Prakash Sinha	Key Management Personnel	Remuneration	58.44	55.41	25.51	4.56
Mr. Siddharth Prakash Sinha	Key Management Personnel	Remuneration	49.14	47.46	22.51	3.70
Maurya Management Pvt.Ltd.	Enterprise under common control	Intercorporate Loan	0	0	100.00	100.00
Elate Investments & Holdings Pvt.Ltd.	Significant Interest in the Company (Holding 25.51% in the Company's Share Capital)	0	0	0	0	0
Vivid Colors Pvt. Ltd.	Strategic Investor & Promoter. Refer Note 6.0 A	Interest on Priority Debts	58.50	54.56	650.00	650.00

7.0 In view of carry forward losses, in drawing up the Accounts, the Company has not considered the impact of deferred tax liability arising out of timing difference. For the same reason Deferred Tax Assets have been ignored.

8.0 The Company has claimed from BSEB Rs.2574.25 Lacs (Previous year Rs.2574.25 Lacs) on account of reduction in maximum demand charges, damages to machinery, etc. and loss of profit due to restricted and erratic power supply for the past periods.

9.0 Loans and Advances appearing in Notes 6 & 8 comprise the following:

Rs. in Lacs

	2014-15		2013-14	
	Long Term	Short Term	Long Term	Short Term
1. Security Deposits with BSEB, Railway & Govt. Agencies	316.69		536.79	
2. Capital Advance	0.00		0.00	
3. Advances to BSEB and Sales Tax	291.96		291.96	
4. Advance for Supply, Services & Others	1378.75	446.06	1378.75	348.09
5. Advance to Employee & Others		20.67		22.98
6. Excise Duty Advance		72.60		826.61
7. Advance Tax (Refunds / adjustment)		205.81		205.51
8. Total	1987.40	745.14	2207.50	1403.19

10.0 The Actuarial Valuation of Gratuity and Leave wages has been made as on 31.03.2015. The requisite disclosure under AS15 is given as under.

The principal assumptions used in actuarial valuation are as below

- Discount rate	7.75%
- Expected rate of return on assets	0.00%
- Expected rate of salary increase	5.00%

	Gratuity	Leave Encashment
Change in present value of obligations		
- Present value of obligations as at 01.04.2014	1527.77	327.91
- Interest cost	137.50	29.51
- Current service cost	60.90	21.31
- Benefits paid	(64.09)	(6.07)
- Actuarial loss/ (Gain ) on obligations	(188.88)	(91.51)
- Present value of obligations as at 31.03.2015	1473.20	281.15
Change in fair value of plan assets	Not Applicable	Not Applicable
Liability recognized in Balance Sheet		
- Present value of obligations as at 31.03.2015	1473.20	281.15
- Fair value of plan assets as at the end of the year	-	-
- Funded status (Deficit)	1473.20	281.15
- Unrecognised Actuarial (Gain) / Loss	-	-
- Net (Liability) recognized in Balance Sheet	1473.20	281.15
Classified as Long Term Provision	1360.75	269.60
Classified as Short Term Provision	112.45	11.55

11.0 Particulars of the Cost Auditors are as under :

- i) Name & Address : Mitra Bose & Associates,  
7, Chittaranjan Avenue, Kolkata – 700 072
- ii) Due Date of submission of the Cost Audit Report : 30st September, 2014
- iii) Actual date of submission of the Cost Audit Report : 25th September, 2014

12.0 Figures of the Previous Year have been recast and/or regrouped wherever necessary to bring them in line with the figures of the current year.

Notes 1 to 9 and 19 are the Notes annexed to and forming part of the Balance Sheet and Note 18 contains the accounting policies followed in preparation of the Balance Sheet as at 31.3.2015.

	<b>M.Mukerjee &amp; Co.</b> Chartered Accountants	<b>Dr. K.C. Varshney</b> Chairman
<b>24, Netaji Subhash Road,</b> Kolkata 700 001 Camp : Patna	<b>Spandan Sengupta</b> Partner Membership No. 135833 FRN - 303013E	<b>Shallendra P.Sinha</b> Managing Director  <b>B.C.Srivastava</b> Director
<b>Date: 22 May,2015</b>		



**KALYANPUR CEMENTS LIMITED****NOTES ON PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015****NOTE – 20**

- 1.0 With a view to ensuring proper disclosure, a separate line in respect of Freight & Selling Expenses has been added in the Profit & Loss Statement.
- 2.0 A separate note to the Profit & Loss Statement namely Note 13 comprising various manufacturing expenses has been provided in the Financial Statement for the year under report.
- 3.0 As per the Revival Scheme sanctioned by the Hon'ble Board for Industrial & Financial Reconstruction (BIFR), the company is eligible for relief on account of VAT reimbursement to the tune of Rs. 165.04 Crs. Out of this, the relief amount of Rs. 87.55 Crs. was accounted for in the accounts of the company for the financial year 2010-11 on the basis of the Draft Rehabilitation Scheme circulated by BIFR and in anticipation of the approval of the State Government which was subsequently received. The company accounts for / will account for the balance relief amount of Rs. 77.49 Crs. on the basis of the actual VAT reimbursement amount received from the state Government as reduced by the refund to be made to them on account of the sales tax exemption amount retained by the company and as provided in the Sanctioned Scheme. At the end of the scheme period, the total VAT reimbursement amount would be Rs. 165.04 Crs.

In view of the unsatisfactory operations of the company due to various economic reasons and particularly the lime stone problem, the company could not pay Value Added Tax (VAT) during the financial year and therefore no VAT reimbursement could be received from the State Govt. during 2014-15 except the reimbursement of Rs.5.09 crores pertaining to the previous financial year (Jan-Mar-2014 quarter). This amount was utilized, as provided under the Revival Scheme, for payment of a part of the Sales tax exemption amount, which was due to be paid in financial year 2013-14.

**4.0 Capacities, Production, Sales and Stocks :**

	2014-15		2013-14	
	Lac Tons	Rs. Lacs	Lac Tons	Rs. Lacs
Installed Capacity, Production, Sales & Stocks: Class of Goods – Cement				
i) Installed Capacity	10.00		10.00	
ii) Production	4.80		6.39	
iii) Sales				
a) Cement	4.79	19817.09	6.45	26423.62
b) Clinker	0.00	0.00	0.00	0.00
iv) Stocks :				
Opening	0.03	114.72	0.10	412.57
Closing	0.04	173.87	0.03	114.72

**5.0 Raw materials consumed – Totally Indigenous :**

	2014-15		2013-14	
	Lac Tons	Rs. Lacs	Lac Tons	Rs. Lacs
i) Limestone	4.76	1564.91*	6.10	2487.43*
ii) Gypsum	0.17	681.01	0.20	800.77
iii) Iron Ore	0.15	365.30	0.21	498.07
iv) Fly Ash	1.30	1383.91	1.81	2154.49
v) Limestone Purchase	0.004	6.60	0.03	49.40

\* Represents cost incurred for raising limestone consumed and debited to respective revenue accounts.

**6.0 (a) Value of imports calculated on CIF basis by the company : Rs. in Lacs**

Components & Spare Parts	10.11	0.69
--------------------------	-------	------

(b) Expenditure in Foreign Currency on account of Royalty & know-how, Professional and Consultation fees, Foreign Travel, Interest & other matters.

2.00      2.72

(c) Value of Raw Materials, Stores, Spare Parts & Components consumed:

i) Indigenous (Rs. in Lacs) % of Total Consumption	3104.46 99.4%	4079.72 99.5%
ii) Imported (Rs. in Lacs) % of Total Consumption	18.83 0.6%	19.55 0.5%
iii) Total (Rs. in Lacs) % of Total Consumption	3123.29 100%	4099.27 100%

Amount remitted during the period in Foreign

Currencies on account of Dividends

0.00      0.00

(d) Earnings in Foreign Exchange Classified as under:

Rs. in Lacs

	2014-15	2013-14
i) Export of goods valued on FOB basis	0.00	0.00
ii) Royalty, knowhow, Professional & Consultation fees	0.00	0.00
iii) Interest & Dividend	0.00	0.00
iv) Other Income	0.00	0.00

7.0 The company operates only in one business segment viz cement.

**8.0 Remuneration of Directors**

	2014-15 Rs. Lacs	2013-14 Rs. Lacs
i) Salary	70.73	101.40
ii) Other Allowances and benefits	43.50	66.74
iii) Company's Contribution to PF	8.35	7.92
Sub-Total (As per Note-15)	122.58	176.06
iii) Director's fees (As per Note-17)	2.20	1.25
iv) Total	124.78	177.31

9.0 The Micro, Small and Medium Enterprises Development Act, 2006 stipulates payment of interest to the "Supplier" defined in the said Act by the buyers. In terms of the said Act, the "Supplier" means a Micro or Small Enterprise which files a Memorandum with any of the five authorities provided therein. The company has sent communications to such parties to ascertain their status regarding filing of Memorandum. No response has, however, been received from the parties following which the company is not in a position to ascertain its statutory liability under the said Act. However, as a measure of abundant precaution, the company based on its judgment, has made provision for interest on dues over 45 days as required under the said Act.

10.0 Pursuant to BIFR's approval the Company has sold its surplus land situated at Dehri-on-sone in Rohtas district of Bihar.

11.0 The Depreciation has been provided as per the provisions of Schedule II to the Companies Act, 2013. In case of the Plant & Machinery which is continuous process plant, the Company earlier had estimated 18 years as the useful life of the Plant and the same being lower than the useful life now prescribed in Schedule II, the Company continues to charge depreciation based on the earlier estimated useful life.

12.0 Figures of the Previous Year have been recast and/or regrouped wherever necessary to bring them in line with the figures of the current year.

Notes 10 to 17 and Note 20 are the Notes annexed to and forming part of the Profit & Loss Statement and Note 18 contains the accounting policies followed in preparation of the Profit & Loss Statement for the year ended 31.03.2015.

24, Netaji Subhash Road,  
Kolkata 700 001  
Camp : Patna

Date: 22 May,2015

**M.Mukerjee & Co.**  
Chartered Accountants

**Spandan Sengupta**  
Partner  
Membership No. 135833  
FRN - 303013E

**P.K.Chaubey**  
Chief Financial Officer  
& Company Secretary

**Dr. K.C. Varshney**  
Chairman

**Shailendra P.Sinha**  
Managing Director

**B.C.Srivastava**  
Director

**KALYANPUR CEMENTS LIMITED****CASHFLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015**

Rs. in Lacs

Particulars	2014-15 Apr'14-Mar'15	2013-14 Apr'13-Mar'14
<b>Cashflow from Operating Activities</b>		
Net Profit/(Loss) before Taxation	(3,470.84)	(3,119.28)
Adjustment for:		
Interest & Other Financial Charges Provided	1,195.77	1,808.92
Depreciation and Amortisation	487.19	768.34
Extraordinary Items	0.00	0.00
<b>Operating Profit/(Loss) before Working Capital Changes</b>	<b>(1,787.88)</b>	<b>(542.02)</b>
(In)/Decrease in Receivables	40.04	218.18
(In)/Decrease in Inventories	173.36	639.32
(In)/Decrease in Loans & Advances	670.88	(448.82)
In/(De)crease in Current Liabilities	2,389.16	3,392.93
Cash generated from Operating Activities	3,273.44	3,801.61
<b>Cashflow from Investing Activities</b>		
(In)/Decrease in Fixed Assets incl. Capital WIP	(25.69)	9.38
Cashflow from Investing Activities	(25.69)	9.38
<b>Cashflow from Financing Activities</b>		
In/(De)crease in Share Capital	0.00	0.00
(In)/Decrease in Non-Current Assets	220.10	(1,527.84)
In/(De)crease in Non-Current Liabilities	(569.55)	(46.53)
(In)/Decrease in Investments	0.00	(0.00)
Repayment of Debts	0.00	(36.00)
Interest & Other Financial Charges Paid	(1,195.77)	(1,808.92)
Net Cashflow from Financing Activities	(1,545.22)	(3,419.29)
Net In/(De)crease in Cash or Cash equivalent	(85.35)	(150.32)
<b>Cash &amp; Bank Balance</b>		
At the beginning of the period	238.39	388.71
At the end of the period	153.04	238.39
<b>Cash &amp; Bank Balance comprise of :</b>		
Cash on hand	5.08	27.03
Cheques on hand	21.04	50.86
Balance with Banks	126.92	160.50
<b>Total</b>	<b>153.04</b>	<b>238.39</b>

This is the Cash Flow referred to in our report of even date.

24, Netaji Subhash Road,  
Kolkata 700 001  
Camp : Patna

Date: 22 May, 2015

M.Mukerjee & Co.  
Chartered Accountants

Spandan Sengupta  
Partner  
Membership No. 135833  
FRN - 303013E

P.K.Chaubey  
Chief Financial Officer  
& Company Secretary

Dr. K.C. Varshney  
Chairman

Shailendra P.Sinha  
Managing Director

B.C.Srivastava  
Director

**KALYANPUR CEMENTS LIMITED****REGISTERED OFFICE :**

2 &amp; 3, Dr.Rajendra Prasad Sarani, Kolkata - 700 001

Tel: +91 33 22302977/6470, Fax: +91 33 22301909

CIN L26942WB1937PLC009086

Email: [kalyanpur\\_ecdrid@bsnl.in](mailto:kalyanpur_ecdrid@bsnl.in); Website: [www.kalyanpur.com](http://www.kalyanpur.com).**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the 75th Annual General Meeting of the Shareholders of the Company will be held at The Palladian Club Lounge, The Bengal Chamber of Commerce & Industry, 6, Netaji Subhas Road, Third Level, Kolkata – 700 001 on Monday, the 28th September, 2015 at 11.30 a.m. to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the financial statements of the Company for the year ended 31st March, 2015 and the reports of the Board of Directors' and Auditors' thereon.
2. To appoint a Director in place of Shri Shailendra Prakash Sinha (DIN 00089604) who retires by rotation and is eligible for re-appointment.

**3. Appointment of Auditors**

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

**"Resolved that** pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s. M. Mukerjee & Co., Chartered Accountants (Firm Registration No. 303013 E) be and are hereby reappointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company on such remuneration and terms & conditions as may be mutually agreed to between the Board of Directors of the Company and the Auditors."

**SPECIAL BUSINESS:****4. Appointment of Smt. Lata Ajay Srivastava (DIN : 07113354) an Independent Director of the Company**

To consider and if thought fit to pass the following resolution as an Ordinary Resolution.

**"Resolved that** Smt. Lata Ajay Srivastava (DIN No. 07113354) who was appointed as an Additional Director designated as Independent Director with effect from 26th March, 2015 and who holds office as such an Additional Director till the date of this Annual General Meeting of the Company and in respect of whose appointment the notice under Section 160 of the Companies Act, 2013 has been received from a Member signifying his intention to propose Smt. Lata Ajay Srivastava as a candidate for the office of the Director of the Company be and is hereby appointed as a Director designated as Independent Director for the tenure of three years i.e. upto 24th March, 2018, pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder read with Schedule IV to the Companies Act, 2013."

**5. To consider and if thought fit to pass, the following resolution as an Ordinary Resolution:**

**"Resolved that** pursuant to the provisions of Section 148 of the Companies Act, 2013 and all other applicable

provisions (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2016, be paid the remuneration as set out in the explanatory statement annexed hereto.

**Resolved further** that the Cost Auditors be reimbursed the expenses on actual basis, if any, as incurred by them in relation to conduct of the Cost Audit.

**Resolved further** that the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

**BY ORDER OF THE BOARD**  
**For Kalyanpur Cements Limited**

**P.K. Chaubey**  
*Chief Financial Officer &*  
*Company Secretary*

Place: Kolkata

Date: 28th August, 2015

**Notes:**

1. The relative Explanatory Statement pursuant to section 102 of the Companies Act, 2013 (Act) in respect of the business under item Nos. 4 & 5 of the Notice is annexed hereto. The relevant details, as required under clause 49 of the Listing Agreements entered into with the Stock Exchanges, of persons seeking appointment/re-appointment as Directors under Item Nos. 2 and 4 of the Notice, are also annexed.
2. **A Member entitled to attend and vote at the Annual General Meeting (AGM) 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 instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the meeting. Proxies submitted on behalf of companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, member would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than 3 days written notice is given to the Company. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
3. The Register of Members and Transfer Books of the Company will be closed from 22nd September, 2015 to 28th September, 2015, both days inclusive.
4. Members holding shares in dematerialised form are requested to intimate all changes pertaining to their address, name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically updated in the records of the Registrar and Transfer Agents (RTAs) which will help the Company and the Company's RTAs Link Intime India (P) Ltd., 59C, Chowringee Road,

- 3rd Floor, Kolkata - 700 020 provide efficient and better services. Members holding shares in physical form are also requested to intimate such changes to the RTAs. Alternatively, they may intimate such changes to the company at its registered office at 2 &3, Dr. Rejendra Prasad Sarani, Kolkata - 700 001.
5. The identity/signature of the Members holding shares in electronic/demat form is liable for verification with the specimen signatures furnished by CDSL.
  6. Members holding shares in physical form are requested to consider converting their holding to dematerialised form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the company or RTAs at their above mentioned addresses. The Registrar and Transfer Agent of the Company M/s. Link Intime India (P) Ltd., 59C, Chowringhee Road, 3rd Floor, Kolkata – 700 020, is handling registry work in respect of shares held both in physical form and in electronic/ demat form.
  7. Members holding shares in physical form in multiple folios are requested to send to the company or the RTAs, the details of such folios together with the share certificates for consolidating their holding in one folio. Such Members will be provided with consolidated share certificate in lieu of their holdings in all the folios.
  8. Members seeking any information with regard to the Accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting. Members are requested to bring their copy of the Annual Report to the Annual General Meeting.
  9. Pursuant to Section 72 of the Companies Act, 2013, shareholders holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's Registrar and Transfer Agent. In respect of shares held in electronic / demat form, the nomination form may be filed with the respective Depository Participant.
  10. Members/Proxies/Representatives are requested to bring the attendance slip enclosed to the annual report notice for attending the meeting.
  11. Complete particulars of the venue of the Meeting including route map and prominent land mark for easy location is enclosed for the convenience of the members. The same has also been hosted at the website of the Company at [www.kalyanpur.com](http://www.kalyanpur.com)
  12. To support the 'Green Initiative' of the Ministry of Corporate Affairs, the Members who have not registered their e-mail addresses are requested to register the same with the RTAs/ the company.
  13. In compliance with the provisions of section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014 as amended vide Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement entered into with the Stock Exchanges, the Company is pleased to provide to the Members facility of voting by electronic means in respect of businesses to be transacted at the 75th Annual General Meeting (AGM) through remote e-voting (i.e. voting electronically from a place other than the venue of the general meeting). The Company also proposes to provide the option of voting by means of Ballot Form at the venue of AGM in addition to the electronic voting through remote e-voting facility. The company has engaged the services of Central Depository Services (India) Ltd. (CDSL) for facilitating voting by electronic means and the business may be transacted through e-voting services provided by CDSL. The facility for voting through ballot form will be provided at the meeting and the members who have not cast their vote through remote e-voting may cast their vote at the

meeting by ballot form. The members who cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

Shri A.K. Labh, Practicing Company Secretary (FCS – 4848 / CP-3238) of M/s. A.K. Labh & Co., Company Secretaries who had consented to act as the Scrutiniser, was appointed by the Board of Directors as the Scrutinizer to scrutinise the voting process (electronically or otherwise) for the 75th Annual General Meeting of the Company in a fair and transparent manner and submit a consolidated Scrutiniser's report of the total votes cast to the Chairman or a person authorised by him in writing.

14. The results shall be declared, on submission of the report by the Scrutinizer, within the period of three days from the conclusion of the Annual General Meeting as stipulated in the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015. The results declared alongwith the scrutinizer's report shall be placed on the Company's website [www.kalyanpur.com](http://www.kalyanpur.com) and sent to CDSL for posting on their website soon after declaration of the result. The result will be communicated to the Stock Exchanges where the shares of the company are listed.

#### **15. The instructions for Voting**

15.1 The instructions for shareholders voting electronically under remote e-voting are as under:

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015, the company hereby provides to the members the facility to exercise their right to vote at the 75th Annual General Meeting (AGM) by electronic means through remote e-voting as well as by way of Ballot Form at the AGM and thus the business may be transacted through e-voting services provided by Central Depository Services (India) Ltd. (CDSL) or voting by ballot form. The following are the instructions for e-voting purpose.

- (i) The voting period begins on 25th September, 2015 at 9.00 a.m and ends on 27th September, 2015 at 5.00 p.m. During this period, the shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 21st September, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period.
- (iii) Click on "Shareholders" tab.
- (iv) Now, select the Electronic Voting Sequence Number (EVSN) along with Kalyanpur Cements Limited from the drop down menu and click on "SUBMIT"
- (v) Now Enter your User ID
  - a. For CDSL : 16 DIGITS BENEFICIARY ID,
  - b. For NSDL: NSDL has not provided connectivity to the Company.
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.



(viii) If you are a first time user, follow the steps given below.

For Members holding shares in Demat Form and Physical Form

PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"><li>● Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the Shareholder's Folio Number (in case of shareholders holding physical shares) in the PAN field.</li><li>● In case the Shareholder's Folio Number is less than 8 digits enter the applicable number of 0s before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with Shareholder's Folio Number 1 then enter RA00000001 in the PAN field.</li></ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank details as recorded in your Demat Account or in the Company records for the said Demat Account or Folio.

(ix) After entering these details appropriately, click on "SUBMIT" TAB.

(x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN for Kalyanpur Cements Limited on which you choose to vote.

(xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xviii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) Note for Non-Individual Shareholders & Custodians:

- Non-individual shareholders (i.e. other than individuals, HUF, NRI etc.) and Custodians are required to log on to <https://www.evotingindia.com> and register themselves as Corporate or Custodians.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details, a compliance user should be created using admin login and password. The compliance user would be able to link the account(s) for which they wish to vote on.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

### 15.2 Instructions for Voting through Ballot Form

The Shareholders who are not able to vote electronically under remote e-voting arrangement may vote through the Ballot Form at the venue of the Annual General Meeting. The detailed instructions for voting through Ballot Form will be provided at the time of the meeting.

**BY ORDER OF THE BOARD**  
**For Kalyanpur Cements Limited**

**P.K. Chaubey**  
*Chief Financial Officer &  
Company Secretary*

Place: Kolkata

Date: 28th August, 2015

**EXPLANATORY STATEMENT****(Pursuant to section 102 of the Companies Act, 2013)**

As required by section 102 of the Companies Act, 2013 (Act), the following Explanatory Statement provides the material facts concerning the items under "Special Business" mentioned at Sl. Nos. 4 & 5 of the notice. The profile of Shri Shailendra Prakash Sinha who is proposed to be reappointed (Item No. 2) and Smt. Lata Ajay Srivastava who is proposed to be appointed as director (Item No. 4) in this meeting are provided below in terms of the requirement of clause 49 of the Listing Agreement.

**Item No. 2****Reappointment of Shri Shailendra Prakash Sinha (00089604) as a Director of the Company**

Mr. Shailendra Prakash Sinha is a Commerce Graduate and a certificate holder in hotel management from Cornell University, USA. He has also undergone a senior Executive programme from Stanford University, USA. He has over 44 years of industrial experience.

Mr. Sinha has been associated for long with various Chambers and Trade bodies like Bihar Chamber of Commerce, Bihar Industries Association and Confederation of India Industry (CII) Bihar and he has been the President of Bihar Industries Association. He is a known industrialist in the State of Bihar. He presently holds directorship, besides in the company, in (i) Differential Technologies Ltd. (ii) Bihar State Tourism Development Corporation Ltd. and (iii) Canterbury Results Pvt. Ltd. He also holds membership in the stakeholders Relationship Committee of the Company's Board.

Mr. Sinha does not hold any share in the Company and he is also not related with any director of the company.

**Item No. 4****Appointment of Smt. Lata Ajay Srivastava (07113354) as a Director of the Company**

The Companies Act, 2013 as well as the Listing Agreement with the Stock Exchanges provide for appointment of woman director on the Company's Board. In order to comply with the statutory and regulatory requirements, the Board of Directors appointed Mrs. Lata Ajay Srivastava as an additional director of the company designated as Independent Director.

Smt. Lata Ajay Srivastava is a graduate and is active in the field of social work for a long time. She has been a member of Inner Wheel Club of Patna which is the women wing of Rotary Club. She has been actively involved in various philanthropic activities undertaken by Rotary International. She is also a member of All India Women Conference, Bihar Chapter. She does not hold any share in the company and she is not related with any director of the company. She is not on the Board of any other company. None of the directors is interested in this resolution. The Board recommends this Resolution for approval by the Shareholders.

**Item No. 5**

Section 148 of the Companies Act, 2013 provides for Audit of Cost records of the Company by Cost Accountants to be appointed by the Board of Directors on such remuneration as may be determined by the members in their General Meeting. The Board, on the basis of recommendation of the Audit Committee, approved the appointment of M/s. Mitra, Bose and Associates, the Cost Accountants (Firm Registration No. 00037) as Cost Auditors to conduct the audit of Cost records of the Company for the Financial Year 2015-16 at the remuneration of Rs. 40,000/- besides reimbursement of expenses, incurred in connection with the audit, on actual basis.

Section 148 of the Act provides that the Cost Auditor shall be appointed by the Board on such remuneration as may be determined by the members. The Board of Directors approved the appointment of the Cost Auditors at a remuneration of Rs. 40,000/- besides reimbursement of expenses on actual basis. The Shareholders may consider approving the said remuneration or such other remuneration as may be deemed appropriate by the members. None of the directors, Key Managerial Personnel of the company or their relatives, in any way, are concerned or interested, financially or otherwise, in the proposed Resolution. The Board recommends this resolution for approval by the shareholders.

**BY ORDER OF THE BOARD**  
**For Kalyanpur Cements Limited**

**P.K. Chaubey**  
*Chief Financial Officer &*  
*Company Secretary*

Place: Kolkata  
Date: 28th August, 2015

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