

Cements Limited

Maurya Centre, 1, Fraser Road

P. O. Box 89, Patna - 800 001, Bihar (INDIA)

Tel. : (0612) 2221551 / 2223336 / 2232481/
2233501 / 3092000

Fax : (0612) 2332884

CINL 26942WB1937PLC009086

Email : kcl_mktg@kalyanpur.com

website :www.kalyanpur.com

Ref: CD/06/01- 84
30th May, 2017BSE Limited,
Corporate Relationship Department
25th Floor, Phiroz Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

Dear Sir,

**Sub: Submission of Standalone Audited Financial Results for the
Financial Year ended 31st March, 2017**

We are enclosing herewith the following :

- 1) The Statement of Standalone Audited Financial Results for the year ended 31st March, 2017.
- 2) Form – A (for Audit Report with un-modified / unqualified opinion)
- 3) Report of the Independent Auditors.

We have also included in the Audited Financial Results for the Financial Year ended 31st March, 2017, the Audited Financial Results in respect of the last quarter ended 31.03.2017 stating that the figures of the last quarter are the balancing figures between audited figures in respect of the full financial year and published year-to-date figures upto the third quarter of the current financial year.

This is for your information.

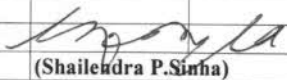
Thanking you,

Yours faithfully,

For **KALYANPUR CEMENTS LIMITED**
(P.K. CHAUBEY)
CFO & CO. SECRETARY

Encl : As above


"KALYANPUR"						
Cements Limited						
Regd. Office: 2 & 3 Dr. Rajendra Prasad Sarani, Kolkata 700 001		CIN - L26942WB1937PLC009086				
Telephone : 033-22302977, 033-22306470 Fax : 033-22301909		website:- www.kalyanpur.com				
Corporate Office: Maurya Centre, 1, Fraser Road, Patna 800 001		email:- admin@kalyanpur.com				
AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2017						
Rs. In Lacs						
Sl. No.	Particulars	Quarter ended			Year ended	
		31.03.2017	31.12.2016	31.03.2016	31.03.2017	31.03.2016
		Audited	Unaudited	Audited	Audited	Audited
		(1)	(2)	(3)	(4)	(5)
1	Income from Operations					
	a) Net Sales (Net of Excise Duty)	1140.03	1754.57	3542.15	6604.35	14385.81
	b) Other Operating Income	0.00	0.00	3.79	0.00	13.43
	Total Income from Operations(Net)	1140.03	1754.57	3545.94	6604.35	14399.24
2	Expenses					
	a) Cost of Raw Materials Consumed	191.18	295.89	520.76	1055.21	2067.80
	b) Change in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade	(44.89)	186.55	223.06	294.92	31.48
	c) Other Manufacturing Expense	317.31	393.66	894.71	1560.86	3141.01
	d) Employees Benefits Expenses	1243.01	874.83	1225.24	3973.44	3826.96
	e) Depreciation and Amortisation Expense	89.32	89.24	93.89	357.01	362.79
	f) Power & Fuel	1135.90	1257.77	2257.31	5018.80	9102.35
	g) Selling & Distribution Expenses	206.22	388.10	573.29	1287.64	2158.16
	h) General Administrative Expenses	109.38	80.30	176.27	344.16	592.84
	Total Expenses	3247.43	3566.34	5964.53	13892.04	21283.39
3	Prorfit/(Loss) from Operations before Other Income, Finance Costs and Execeptional Items (1-2)	(2107.40)	(1811.77)	(2418.59)	(7287.69)	(6884.15)
4	Other Income	139.70	0.87	491.96	146.41	959.13
5	Prorfit/(Loss) from Ordinary activities before Finance Costs and Execeptional Items (3+4)	(1967.70)	(1810.90)	(1926.63)	(7141.28)	(5925.02)
6	Finance Cost	587.09	600.79	557.94	2325.01	1965.50
7	Prorfit/(Loss) from Ordinary activities after Finance Costs but before Execeptional Items (5-6)	(2554.79)	(2411.69)	(2484.57)	(9466.29)	(7890.52)
8	Exceptional Items	5067.71	0.00	0.00	5067.71	0.00
9	Profit/(Loss) from Ordinary Activities before Tax (7-8)	(7622.50)	(2411.69)	(2484.57)	(14534.00)	(7890.52)
10	Tax Expenses	0.00	0.00	0.00	0.00	0.00
11	Net Profit/(Loss) from Ordinary Activities after tax (9-10)	(7622.50)	(2411.69)	(2484.57)	(14534.00)	(7890.52)
12	Extra-Ordinary Items	0.00	0.00	0.00	0.00	0.00
13	Net Profit/(Loss) for the period (11-12)	(7622.50)	(2411.69)	(2484.57)	(14534.00)	(7890.52)
14	Paid Up Equity Share Capital(Face value@Rs.10/- per share)	2125.38	2125.38	2125.38	2125.38	2125.38
15	Reserve excluding revaluation reserves (as per Balance sheet of Previous Accounting year)					2,049.40
16	Earning Per Share (EPS)					
	i.) Before Extraordinary items					
	a) Basic	(35.87)	(11.35)	(11.69)	(68.40)	(37.13)
	b) Diluted	(35.87)	(11.35)	(11.69)	(68.40)	(37.13)
	ii) After Extraordinary items					
	a) Basic	(35.87)	(11.35)	(11.69)	(68.40)	(37.13)
	b) Diluted	(35.87)	(11.35)	(11.69)	(68.40)	(37.13)

i/	Statement of Assets & Liabilities	Rs. In Lacs	
		As at	As at
		31.03.2017	31.03.2016
Particulars		Audited	Audited
Equity & Liabilities			
1 Shareholder's Fund			
a)	Share Capital		
b)	Reserves and Surplus	2,787.14	2,787.14
c)	Money received against Share Warrants	(55,044.76)	(40,510.76)
Sub-Total - Shareholder's Funds		(52,257.62)	(37,723.62)
2 Share application money pending allotment			
3 Non-Current Liabilities			
a)	Long-term borrowings	7,945.85	7,945.85
b)	Deferred Tax Liabilities(Net)	-	-
c)	Other Long term Liabilities	1,383.87	2,272.67
d)	Long-term provisions	1,883.28	1,731.08
Sub-Total - Non-Current Liabilities		11,213.00	11,949.60
4 Current Liabilities			
a)	Short-term borrowings	3,144.12	2,060.61
b)	Trade Payables	12,848.91	10,063.50
c)	Other Current Liabilities	33,913.41	23,469.48
d)	Short-term provisions	348.18	307.70
Sub-Total - Current Liabilities		50,254.62	35,901.29
Total Equity & Liabilities		9,210.00	10,127.27
Assets			
1 Non-Current Assets			
a)	Fixed Assets	5,163.72	5,516.07
b)	Long Term Loans & Advances	2,044.40	2,025.98
c)	Other Non-Current Assets		
Sub-Total - Non-Current Assets		7,208.12	7,542.05
2 Current Assets			
a)	Current Investments		
a)	Inventories	1,068.98	1,499.06
b)	Trade Receivables	172.25	211.51
c)	Cash & Cash Equivalants	61.33	83.42
d)	Short Term Loans & Advances	649.12	747.77
e)	Other Current Assets	50.20	43.46
Sub-Total - Current Assets		2,001.88	2,585.22
Total Assets		9,210.00	10,127.27
Notes:			
1	The above statement of Financial Results was considered by the directors who are the members of the Audit Committee and thereafter by the directors of the company at their meetings held on 30th May, 2017.		
2	The figures of last quarter are the balancing figures between audited figures in respect of the full financial year and the published year-to-date figures upto the third quarter of the current financial year.		
3	In view of the company being single product manufacturing unit, mainly selling its product in Bihar, segment reporting is not applicable.		
4	The Hon'ble National Company Law Tribunal (NCLT) Kolkata Bench has ordered the commencement of Corporate Insolvency Resolution Process in respect of the company under the provisions of Insolvency and Bankruptcy Code 2016 (Code) w.e.f. 1.5.2017 and appointed an Interim Resolution Professional (IRP). Section 17(1)(b) of the Code provides that from the date of appointment of IRP, the powers of the Board of Directors of the Company shall stand suspended and be exercised by the IRP. Since in view of the above mentioned provisions, the powers of the Board stand suspended, no meeting of the Board of directors or the Audit Committee was held. However, in order to comply with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the directors met to consider the accounts to ensure that the same conform to the accounting standards and practices and having found them so conforming, they have recommended the same for necessary legal compliance.		
5	The Auditors' comments in their report dated 30th May,2017 on the accounts for the Year ended 31st March,2017 regarding ability of the Company to continue as a going concern to be dependent upon the Company's performance after the approval of Resolution Plan under the provisions of the Insolvency and Bankruptcy Code 2016 (Code), position of statutory dues and default in payment of central excise loan referred respectively in "Emphasis on matters" included in the Auditors' report and serial nos. (vii) & (viii) of Annexure 1 to the auditors' report are factual and self explanatory. They have also been adequately explained in Annex.4 to the Directors' report and the auditors' remarks on all the issues have arisen due to Company's sickness and its unsatisfactory financial position. These comments of the auditors would get addressed with satisfactory Corporate Insolvency Resolution of the Company		
6	In view of carried forward losses, in drawing up the Accounts, the Company has not considered the impact of deferred tax liability arising out of timing difference.		
Patna 30th May,2017		 (Shailendra P. Sinha) MANAGING DIRECTOR DIN : 00089604	

FORM A

(For Audit Report with Unmodified Opinion)




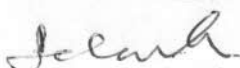
1	Name of the Company	KALYANPUR CEMENTS LIMITED Regd.Office: 2 & 3, Dr.Rajendra Prasad Sarani Kolkata – 700 001 Address for Correspondence: KALYANPUR CEMENTS LIMITED Maurya Centre, 1, Fraser Road, Patna – 800 001 Scrip Code : 502150
2	Annual financial statements for the year ended	31 st March, 2017
3	Type of Audit Observation	The Auditors have given an Unmodified (Unqualified) Report. They have however, mentioned three points as “Emphasis on Matters” which are as under: (i) The claim of Bihar State Electricity Board (BSEB) (now South Bihar Power Distribution Company Ltd.) is disputed in respect of 33 KV power connection. The nature of dispute and the details relating thereto have been explained in Note – 19 to the Balance Sheet. (ii) The documents and papers relating to all 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) 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.14534.00 Lacs for the year amount to Rs.57094.16 Lacs against the capital and reserve of Rs.4836.54 Lacs which leaves a negative networth of Rs.52257.62 Lacs. In view of this negative networth, ability of the Company to continue as a going concern is dependent upon the Company’s performance in terms of the Resolution Plan to be approved by the Hon’ble National Company Law Tribunal (NCLT) under the provisions of Insolvency and Bankruptcy Code, 2016. The Hon’ble NCLT has ordered commencement of the corporate insolvency resolution process in respect

 *Remains*

		of the Company and appointed an Interim Resolution Professional (IRP).
4	Frequency of observation	<p>The above points have been appearing in the Auditors' Report for last few years except the point at serial no. (iii) above, part of which has arisen from implementation of the provisions of Insolvency and Bankruptcy Code, 2016. The points are however explained as under to enable proper appreciation in respect thereof:</p> <p>i) The claims of BSEB with regard to 132 KV power connection have been fully settled after reconciliation of the accounts of the company with those of South Bihar Power Distribution Co. Ltd. (SBPDCL), the erstwhile BSEB. This now leaves only one dispute relating to the old 33 KV power connection remaining unresolved between the company and SBPDCL. This matter is sub-judice and is under adjudication by the District Civil Court, Patna.</p> <p>ii) Since IFCI earlier was the lead Financial Institution, the title deeds in respect of the company's properties were deposited with them. Since IFCI is a Government of India owned Development Financial Institution, the company has decided to continue with the arrangement for safe custody of the documents.</p> <p>iii) The company was declared Sick under the provisions of Sick Industrial Companies (Special Provisions) Act, 1985 and was in the process of revival through the aegis of the Hon'ble Board for Industrial and Financial Reconstruction (BIFR). BIFR sanctioned a Revival Scheme for the company which ended on 31.03.2017. Due to some variations in achieving the Scheme parameters and in view of the provisions under the Sanctioned Scheme, the company approached the Hon'ble BIFR for modification in the Sanctioned Scheme by providing Value Added Tax (VAT) reimbursement for additional period of 2½ years and re-schedulement for payment of statutory and other dues. The Company submitted a Modified Draft Rehabilitation Scheme (MDRS) to BIFR for sanctioning the modifications. In view of vacancy at BIFR for a long time, the revival process of the Company was delayed and in the meantime, the</p>



sd/ Kewany

		<p>Sick Industrial Companies (Special Provisions) Repeal Act, 2003 was notified on 25.11.2016 and BIFR was dissolved. The Hon'ble NCLT has ordered commencement of corporate insolvency resolution process in respect of Kalyanpur Cements Limited and appointed an Interim Resolution Professional. The Company now is in the process of formulating a Resolution Plan which will be placed before the Committee of Creditors constituted under the Insolvency and Bankruptcy Code, 2016 for their approval and thereafter before the NCLT for final approval under the Code. After full implementation of the Resolution Plan, the observations of the Auditors at Sl. No.(iii) under the "Emphasis on Matters" above will get addressed.</p>
5	<p>To be signed by –</p> <ul style="list-style-type: none"> • Managing Director • CFO • Auditor of the Company • Audit Committee Chairman 	<p>For KALYANPUR CEMENTS LIMITED</p> <p> Shailendra Prakash Managing Director</p> <p>For KALYANPUR CEMENT LIMITED</p> <p> (P. K. CHAUBEY) CFO & CO. SECY</p> <p> H. G. Jha Chartered Accountants M. MUKERJEE & CO. KOLKATA</p> <p>For Kalyanpur Cement Limited</p> <p> (B.C. Srivastava) Director</p>



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, 2017, 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

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Cell : 09903151425 e-mail : mmukerjee.company@gmail.com / spandan.s@mmca.in
Website : www.mmca.in PAN : AAFFM3769H





M. Mukerjee & Co.
CHARTERED ACCOUNTANTS

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, 2017;
- (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.

Emphasis on Matters

We draw attention to the following matters in the Notes to the financial statements:

- (i) As stated in para 1.1 of Note 19 to the Balance Sheet, the claim of BSEB (now South Bihar Power Distribution Company Limited) is disputed in respect of 33 KV power connection. The nature of dispute & the details relating thereto have been explained in the above paragraph 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.14534.00 Lacs for the year amount to Rs.57094.16 Lacs (Refer: Note no. 2 in Financial Statement) against the capital and reserve of Rs.4836.54 Lacs which leaves a negative networth of Rs.52257.62 Lacs. In view of this negative networth, ability of the Company to continue as a going concern is dependent upon the Company's performance in terms of the Resolution Plan to be approved by the Hon'ble National Company Law Tribunal (NCLT) under the provisions of Insolvency and Bankruptcy Code, 2016. The Hon'ble NCLT has ordered commencement of the corporate insolvency resolution process in respect of the Company and appointed an Interim Resolution Professional (IRP).



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Website : www.mmca.in PAN : AAFFM3769H



Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure-I" a statement on the matters Specified in paragraphs 3 and 4 of the Order. 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) The going concern matter described in sub-paragraph (iii) under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
- f) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
- g) With respect to the adequacy of the financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure-II" and
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - 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.



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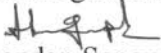


M. Mukerjee & Co.

CHARTERED ACCOUNTANTS

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- 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.
- iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note [Note no. 19 sub clause 13.00]

For M Mukerjee & Company
Chartered Accountants
Firm Registration No303013E


Spandan Sengupta
Partner

Membership No. 135833
Place: Patna
Date: 30.05.2017



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ANNEXURE-I TO INDEPENDENT AUDITORS' REPORT – 31 MARCH 2017

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) As explained to us, fixed assets have been physically verified by the management at regular intervals; In our opinion, this periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets. As informed to us no material discrepancies were noticed on such verification.
 - c) In our opinion and according to information and explanations given to us and on the basis of an examination of the records of the Company, the title deeds of the immovable properties are held in the name of the Company.
- (ii) The inventory has been physically verified during the period by the management. The discrepancies noted on verification between the physical stock and the books were not material and have been properly dealt with in the books of account.
- (iii) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loan, made any investment or provided any guarantee or security to any party.
- (v) The Company has not accepted any deposits from the public covered under Sections 73 to 76 of the Companies Act, 2013.
- (vi) We have broadly reviewed the cost records maintained by the Company as prescribed by the Central Government under Sub Section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) a) According to the information and explanations given to us and on the basis of examination of records of the Company, the company is not regular in depositing the undisputed statutory dues including Provident Fund, Income-tax(TDS), Service Tax, Value Added Tax, Royalty & Cess to the appropriate authorities. The extent of outstanding statutory dues as on 31.3.2017 for a period of more than six months from the date they became payable are given below:-



Office



M. Mukerjee & Co.

CHARTERED ACCOUNTANTS

Sl.No.	Statutory Dues	Outstanding Dues (Rs. in Lacs)
1	Royalty Dues	1628.73
2	VAT Dues	4529.92
3	PF & EPS Dues	1920.02
4	TDS Dues	393.73
5	Cement CESS	15.45
6	Central Excise Duty	0.00
7	Service Tax	8.86

- b) 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.
- (viii) The company has defaulted 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.
- (ix) The company has not raised any money by way of initial public offer or further public offer or debt instrument. The funds raised through short term loans have been applied for the purpose for which the same were raised.
- (x) According to the information and explanations given to us, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act. Reference is invited to note 20.10 to the Profit & Loss Statement for the year under report.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company.
- (xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partially convertible debentures during the year.





M. Mukerjee & Co.

CHARTERED ACCOUNTANTS

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- (xv) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into non- cash transactions with the directors or persons connected with him.
- (xvi) According to the information and explanation given to us, the Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934.

For M Mukerjee & Company
Chartered Accountants
Firm Registration No303013E

Spandan Sengupta
Partner
Membership No. 135833
Place: Patna
Date: 30-05-2017



Office

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ANNEXURE-II TO INDEPENDENT AUDITORS' REPORT

(Referred to in our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act.

We have audited the internal financial controls over financial reporting of Kalyanpur Cements Limited ("the Company") as at 31st March 2017 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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





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

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

Meaning of Internal Financial Controls Over Financial Reporting

The Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

- a) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- b) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- c) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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





M. Mukerjee & Co.

CHARTERED ACCOUNTANTS

Opinion

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

Place: Patna
May^{30th}, 2017

M. MUKERJEE & CO.
Chartered Accountants
FRN : 303013E
24, Netaji Subhas Road
Kolkata-700 001



SPANDAN SENGUPTA
Partner
Membership No: 135833

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