

# Panyam Cements & Mineral Industries Limited

CIN No. : L26940AP1955PLC000546  
Phone : +91-40-23555317  
Fax : +91-40-23555316  
E-mail : caohyd@panyamcements.com  
Web : www.panyamcements.com



Central Administrative Office :  
Plot No. 188, 1st Floor,  
Phase-II, Kamalapur Colony,  
Hyderabad - 500 073. TS, INDIA.

Date: 05<sup>th</sup> May 2021

The Senior General Manager,  
Department of Corporate Services  
Bombay Stock Exchange Limited  
1<sup>st</sup> Floor, New Trading Wing,  
Rotunda Building, P.L. Towers  
Dalal Street, Mumbai - 400 001

Scrip Code: BSE (500322)

Scrip Name: PANCM

Respected Sir / Ma'am,

Please find enclosed herewith a copy of the Audited Financial Results for the quarter ended / Year ended 31<sup>st</sup> March 2020 of Panyam Cements and Mineral Industries Limited which has been taken on record by the Board of Directors in their meeting held on 11<sup>th</sup> February 2021. Also enclosed herewith:

1. Audited financial results for the quarter / year ended 31<sup>st</sup> March 2020 as per the stock exchange format in pursuance to regulation 33 of SEBI (Listing obligations and disclosure requirements, 2015 Ind-AS)
2. Copy of limited review report for the 4<sup>th</sup> quarter / year ended 31<sup>st</sup> March 2020 pursuant to regulation 33 of SEBI (Listing obligations and disclosure requirements, 2015)

*It is pertinent to note there were typo errors in the below table (Sr. No. XI) with respect to the amount of total comprehensive income and earning per equity share for the quarter ended 31<sup>st</sup> March 2020.*

Thanking You!

For Panyam Cements and Mineral Industries Limited

Sd/-

S. Sreedhar Reddy

Managing Director

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AUDITED FINANCIAL RESULTS FOR THE QUARTER/YEAR ENDED 31ST MARCH 2020 (Rs.in Lacs)						
Sr. No	Particulars	QUARTER ENDED			YEAR ENDED	
		31.03.2020 (Audited)	31.12.2019 (Un-Audited)	31.03.2019 (Audited)	31.03.2020 (Audited)	31.03.19 (Audited)
I	Revenue from operations	-	-	-	-	6,943.61
II	Other income	343.63	358.53	384.91	1,436.59	1,284.84
III	<b>Total revenue (I+II)</b>	<b>343.63</b>	<b>358.53</b>	<b>384.91</b>	<b>1,436.59</b>	<b>8,228.45</b>
IV	<b>Expenses</b>					
	a) Cost of materials consumed	-	-	-	-	1,407.05
	b) Purchase of stock-in-trade	-	-	-	-	-
	c) Changes in inventories of finished goods, work in progress and stock-in-trade	7.48	-	-	7.48	263.46
	d) Excise duty on sale of goods	-	-	-	-	-
	e) Employee benefit expense	393.10	139.33	213.27	926.89	1,205.89
	f) Finance Cost	5,925.01	1,014.27	1,196.19	8,777.95	4,164.69
	g) Depreciation/amortization expense	168.09	168.08	202.03	672.35	802.00
	h) Power and fuel	-0.00	-	224.18	17.39	4,481.24
	i) Other expenses	1,179.09	26.99	666.20	1,279.45	2,537.75
	<b>Total expenses (a to i)</b>	<b>7,672.76</b>	<b>1,348.67</b>	<b>2,501.87</b>	<b>11,681.50</b>	<b>14,862.08</b>
V	<b>Profit/ (loss) before exceptional items and tax (III-IV)</b>	<b>(7,329.13)</b>	<b>(990.14)</b>	<b>(2,116.96)</b>	<b>(10,244.91)</b>	<b>(6,633.63)</b>
VI	Exceptional items	-6,012.39	183.21	35.31	(5,544.94)	137.10
VII	<b>Profit/ (loss) before tax (V+VI)</b>	<b>(13,341.52)</b>	<b>(806.93)</b>	<b>(2,081.65)</b>	<b>(15,789.85)</b>	<b>(6,496.53)</b>
	Current tax	-	-	-	-	-
	Deferred tax	-	-	-	-	-
	Earlier years income tax	-	-	-242.77	-	-
VIII	<b>Tax expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>242.77</b>
IX	<b>Profit/ (loss) for the period (VII-VIII)</b>	<b>(13,341.52)</b>	<b>(806.93)</b>	<b>(2,324.42)</b>	<b>(15,789.85)</b>	<b>(6,739.30)</b>
X	<b>Other comprehensive income</b>					
	Other comprehensive income not to be reclassified to profit or loss in subsequent periods:					
	Net gains/(losses) on FVTOCI equity securities (Net of tax effect)	0.42	(0.42)	(0.99)	-	-
XI	<b>Total comprehensive income for the period (X+XI)</b>	<b>(13,846.90)</b>	<b>(807.35)</b>	<b>(2,325.41)</b>	<b>(16,295.65)</b>	<b>(6,740.34)</b>
	<b>Earnings per equity share:</b>					
	Basic	-79.13	-4.79	-13.79	(93.65)	(39.97)
	Diluted	-79.13	-4.79	-13.79	(93.65)	(39.97)

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 Cement Works: Cementnagar - 518 206, Kurnool District (A.P.) India.

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BALANCE SHEET AS AT 31ST MARCH 2020			
Particulars	Note no.	(₹ in lakhs)	
		As at 31st March, 2020	As at 31st March, 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	6,637.70	7,358.01
Capital work-in-progress	3	2,315.66	2,315.66
<b>Financial assets</b>			
- Investments	4(a)	2,702.40	3,208.20
- Loans	4(b)	8,976.38	6,768.65
- Other financial assets	4(c)	18.80	671.31
Other non-current assets	5	1,771.76	1,683.72
<b>Total Non-current assets</b>		<b>22,422.71</b>	<b>22,005.55</b>
<b>Current assets</b>			
Inventories	6	880.59	1,079.83
<b>Financial assets</b>			
- Trade receivables	7(a)	2,348.97	2,366.31
- Cash and cash equivalents	7(b)	17.11	12.71
- Bank balances other than Cash and cash equivalents	7(c)	44.27	41.93
- Loans	7(d)	1,360.00	2,642.05
- Other financial assets	7(e)	106.49	202.18
Other current assets	8	762.12	721.00
Current tax asset (Net)	9	-	-
<b>Total Current assets</b>		<b>5,519.55</b>	<b>7,066.01</b>
<b>TOTAL ASSETS</b>		<b>27,942.26</b>	<b>29,071.56</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	10(a)	1,686.42	1,686.42
Other equity	10(b)	(26,089.23)	(9,793.59)
<b>Total Equity</b>		<b>(24,402.81)</b>	<b>(8,107.17)</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
- Borrowings	11(a)	-	5,575.54
- Other financial liabilities	11(b)	407.91	2,874.18
Deferred tax liabilities (Net)	12	-	-
Other non-current liabilities	13	24.22	345.08
<b>Total Non-current liabilities</b>		<b>432.13</b>	<b>8,794.80</b>
<b>Current liabilities</b>			

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Financial liabilities			
- Borrowings	14(a)	3,130.48	2,774.17
- Trade payables			
- Total outstanding dues of micro enterprises and small enterprises (Refer Note No.28)		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	14(b)	2,576.06	3,004.70
- Other Current financial liabilities	14(c)	31,073.14	14,038.95
Other current liabilities	15	14,816.97	8,257.35
Current tax liability (Net)	9	316.30	308.76
<b>Total Current liabilities</b>		<b>51,912.94</b>	<b>28,383.93</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>27,942.26</b>	<b>29,071.56</b>

## Notes:

1. The above audited financial results for the Quarter/ Year ended 31<sup>st</sup> March 2020 were reviewed by the Audit Committee, approved by the Board of the Directors at their respective meetings held on 11<sup>th</sup> February 2021.
2. The Statutory Auditors have audited the above financial results for the 4th Quarter/ Year ended 31<sup>st</sup> March 2020.
3. During the current quarter there were no operations on account of suspension of operations from December 2018 and resulted increase in loss for the current Quarter/ Year ended 31<sup>st</sup> March 2020
4. According to requirements of Ind AS and SEBI (LODR) Regulations 2015, revenue from operations for the Year ended 31.03.2018 were reported inclusive of Excise Duty up to 30.06.2017. The Government of India has implemented Goods and Services Tax (GST) from 1st July 2017 replacing excise duty, service tax and other Indirect taxes. The revenue for the Quarter/Year ended 31.03.2020 and previous Quarter ended 31.12.2019 are reported net of GST.
5. The figures of last quarter ended on 31.03.2020/ 31.03.2019, are the balancing figures between audited figures in respect of full financial year and unaudited published year to date figures up to the 3rd quarter ended on 31.12.2019/ 31.12.2018 respectively.
6. The figures for the corresponding previous Year/Quarter have been restated/regrouped and reclassified, wherever necessary to confirm with the current Year/Quarter presentation.
7. The National Company Law Tribunal (“NCLT”), Amravati Bench, vide order dated 14th May 2020 (“Admission Order”) has initiated corporate insolvency resolution process (“CIRP”) based on petitions filed by IDBI Trusteeship Service Limited under section 7 of the Insolvency and Bankruptcy Code, 2016 (“the Code”). Mr. Bhruvish Amin (IP Registration No. IBBI/IPA-002/IP-N00353/2017-18/11003) was appointed as Interim resolution professional (“IRP”) to manage affairs of the Company in accordance with the provisions of the Code. In the first meeting of the committee of creditors held on 20th June 2020, Mr. Bhruvish Amin had been confirmed as Resolution Professional (“RP”) / “Resolution Professional”) for the Company.
8. The Financial Statement for the year ended 31st March 2020 have been prepared by the management. It is pertinent to note that the Resolution Professional made all practical and reasonable efforts from time to time to facilitate information/data from the officials of the Company in relation to the preparation of the financial statements of the company and also the information required by the auditors for the purpose of carrying out the audit of the financial statements of the Company. It is to be noted that the financial

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statements for the FY 2019-20 as well as the information provided to the auditors for the purpose of audit of the same, pertain to the period prior to the appointment of the Resolution Professional and therefore, while facilitating the collection and dissemination of the said information, the Resolution Professional has relied upon and assumed the accuracy/ veracity of data/information provided by the officials of the Company, suspended directors and the records of the Company made available to the Resolution Professional , which the Resolution Professional has assumed are in conformity with the applicable law and present a true and fair view of the position of the Company as of the dates and for the period indicated therein. The RP has not personally verified the information provided by the officials of the Company and has placed confidence in the data/ information provided to him. Accordingly, the Resolution Professional should be absolved from the accuracy, veracity and sufficiency or completeness of such information. Readers and users of these statements are advised to do their due diligence before arriving at any conclusions. The Resolution Professional has signed the Financial Statements to facilitate the CIRP process and to facilitate the statutory requirements without any liability of the same.

Place: Nandyal

Date: 05.05.2021



**Independent Auditors' Report on Annual Financial Results of Panyam cements and Mineral Industries Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To the Board of Directors/Resolution Professional of **Panyam cements and Mineral Industries Limited**

**Qualified Opinion**

We have audited the financial results for the year ended 31 March 2020, in the accompanying "Statement of Financial Results for the Quarter and Year ended March 31, 2020" of **Panyam cements and Mineral Industries Limited** being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, **except for the effects of the matter described in the Basis for Qualified Opinion section of our report** the financial results for the year ended March 31, 2020:

- i). are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended; and
- ii). give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net loss and other comprehensive loss and other financial information for the year ended 31 March 2020.

The Hon'ble National Company Law Tribunal ("NCLT"), Amravati Bench, admitted the Corporate Insolvency Resolution Process ("CIRP") application filed by a Financial Creditor of the Company, and appointed an Interim Resolution Professional ("IRP"), in terms of the Insolvency and Bankruptcy Code, 2016 ("the Code") to manage the affairs of the Company as per the provisions of the Code. The Committee of Creditors of the Company, in its meeting dated 26th June 2020, confirmed the IRP as the Resolution Professional ("RP") for the Company. The power of preparation and approval of these financial statements vests with the management of the Company.

**Basis for Qualified Opinion**

- a) The Company has Rs.8976.38 Lakhs outstanding inter-corporate loans as at 31 March, 2020. In the absence of external confirmations from the parties as on reporting date and owing to the uncertainty associated with the recoverability of the Inter-corporate loans, we are unable to comment on the consequential impact if any, on the financial results.
- b) The company has Rs.2348.97 Lakhs outstanding trade receivables as on 31<sup>st</sup> March 2020 which are classified as doubtful. In the absence of external confirmations from the parties as on reporting date and owing to the uncertainty associated with the recoverability of the trade receivables, we are unable to comment on the consequential impact if any, on the financial results.
- c) We did not receive physical verification reports for the Inventory as on reporting date. Hence, we are unable to comment on the condition, existence and impairment impact, if any on carrying value of Inventory as at 31 March, 2020.



- d) We did not receive physical verification reports for the Property, Plant & Equipment and Capital work in progress as on reporting date. Hence, we are unable to comment on the condition, existence and consequent impairment impact, if any on carrying value of Property, Plant & Equipment and Capital Work in progress as at 31 March, 2020.
- e) We did not obtain external confirmations from vendors, banks/financial institutions and government authorities regarding trade payables, advances to suppliers, advance excise duties/CENVAT/VAT/Service tax, other advances, borrowings, balances in current accounts, loans, cash credits and corporate guarantees. In the absence of such confirmations as on reporting date, we are unable to comment on the consequential impact, if any, on the financial results.
- f) As part of the Corporate Insolvency Resolution process, the claims from Financial and Operational creditors are being filed and further being admitted, rejected or pending verification. We are unable to comment on the liability that may arise due to such admittance, to the extent unrecorded/unreconciled with the books of accounts and its consequential impact on financial results as on reporting date.
- g) Based on the information and explanations given to us, the Company has not provided for accrued gratuity liability on actuarial valuation as required under the Ind AS 19 Employee Benefits and the amount of gratuity liability is not ascertained by the company and it is provided/paid on cessation of employment as per the accounting policy followed by the company. We are unable to quantify the impact of the said liability on the financial results of the year under report.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

### **Management's Responsibilities for the Financial Results**

This Statement of annual financial results is the responsibility of the Company's management /Board of Directors and has been approved by them for the issuance. The Financial Results for the year ended March 31, 2020 have been compiled from the related audited financial statements. This responsibility includes the preparation and presentation of the financial results for the quarter and year ended March 31, 2020 that give a true and fair view of the net loss and other comprehensive loss and other financial information in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.



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

The Management is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Results**

Our objectives are to obtain reasonable assurance about whether the financial results for the year ended March 31, 2020 as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sas will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial results.

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

- Identify and assess the risks of material misstatement of the Annual Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Annual financial results, including the disclosures, and whether the Annual Financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations to the extent applicable.
- Obtain sufficient appropriate audit evidence regarding the Annual Financial results of the company to express an opinion on the Annual financial Results.





Materiality is the magnitude of misstatements in the Annual Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Financial Results may be influenced. We consider quantitative materiality and quantitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Annual Financial Results.

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

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

### Other Matters

The statements include the results for the quarter ended March 31, 2020 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subjected to limited review by us. Our report on the statement is not modified in respect of this matter.

Place: Hyderabad

Date: 11/02/2021

For **K. S. RAO & Co**  
Chartered Accountants

Firm Registration No: 003109S



**(P. GOVARDHANA REDDY)**

Partner

Membership no: 029193

UDIN: 21029193 AAAADK 9958