

# Panyam Cements & Mineral Industries Limited

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



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

Date: 08/12/2018

## BSE Limited

Corporate Relationship Department  
Phiroze Jeejeebhoy Towers,  
Dalal Street.  
MUMBAI - 400 001.

Scrip Code: 500322

Scrip Name: PANCM

Dear Sir,

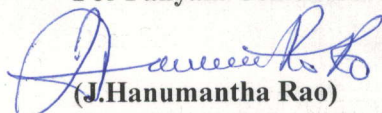
Sub: 62<sup>nd</sup> Annual Report.

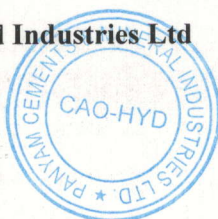
We are attaching herewith a soft copy of the 62<sup>nd</sup> Annual Report of our company for the financial year ended 31<sup>st</sup> March, 2018 for your kind perusal and records.

This is for your kind information and records please.

Thanking you,

Yours faithfully,  
For Panyam Cements & Mineral Industries Ltd

  
(J. Hanumantha Rao)  
Compliance Officer.





**PANYAM  
CEMENTS & MINERAL  
INDUSTRIES LIMITED**



**2017 - 18**

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**PANYAM CEMENTS & MINERAL INDUSTRIES LIMITED**

**CORPORATE INFORMATION**

**BOARD OF DIRECTORS**

**S. SREEDHAR REDDY**  
Managing Director

**V. SURESH KUMAR**

**V. ARAVINDA RANI**

**V. RAMNATH**

**P. JAYARAMA REDDY**

**S. PANDURANGA RAO**

**Dr. R.K. PRASAD SUNKARA**

**REGISTRAR & SHARE  
TRANSFER AGENTS**

XI Softech Systems Limited  
3, Sagar Society, Road No.2  
Banjara Hills, Hyderabad - 500 034

Phone Nos.: 040-23545913/14/15  
Fax No.: 040-23553214  
Email: xlfield@rediffmail.com

**CENTRAL ADMINISTRATIVE OFFICE :**

Plot No.188, Phase - II,  
Kamalapuri Colony,  
Hyderabad 500 073  
Telephone Nos.: 040-23555317  
Fax: 040-23555316  
E-mail: caohyd@panyamcements.com  
Website: www.panyamcements.com  
**ISIN : INE167E01029**  
**CIN : L26940AP1955PLC000546**

**AUDITORS**

M/s. K.S. RAO & Co.  
Chartered Accountants,  
Hyderabad - 500082.

**COST AUDITOR**

Mrs. Aruna Prasad  
Cost Accountant  
Plot No.802, 64<sup>th</sup> Street,  
10<sup>th</sup> Sector, K.K. Nagar.  
Chennai - 600 078.

**BANKERS**

State Bank of India  
SSME Branch  
Nandyal.

State Bank of India  
SME Branch,  
Somajiguda, Hyderabad

**REGISTERED OFFICE**

C-1, Industrial Estate,  
Bommalasatram,  
Nandyal - 518 502  
Kurnool District - A.P.

Telephone Nos.: 08514-222274  
Email: regoffice@panyamcements.com

**CEMENT WORKS:**

Cementnagar - 518 206  
Kurnool District, A.P.

Telephone Nos.: 08516-274638  
Fax No.: 08516-274644  
Email: pcmil@panyamcements.com

**PANYAM CEMENTS & MINERAL INDUSTRIES LIMITED**

Registered Office: C-1, Industrial Estate  
Nandyal - 518 502, Kurnool District, Andhra Pradesh

**NOTICE**

Notice is hereby given that the 62nd Annual General Meeting of the Members of the Company will be held on Monday, the 31st December, 2018 at 11.45 A.M., at the Registered Office of the company, C-1 Industrial Estate, Nandyal, Kurnool District, Andhra Pradesh to transact the following business:-

**Ordinary Business**

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March 2018, and the Statement of Profit and Loss for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a director in place of Mr. V. Suresh Kumar, (DIN NO.01788268), who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a director in place of Mr. V. Ramnath (DIN No. 01303841) who retires by rotation and being eligible offers himself for re-appointment.
4. To ratify the appointment of Auditors as statutory auditors of the company and in this regard 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 Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Company hereby ratifies the appointment of M/s. K.S. Rao & Co., Chartered Accountants, Hyderabad (Registration No. 003109S) as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at such remuneration plus tax as applicable and reimbursement of out of pocket expenses in connection with the audit the Board of Directors may fix in this behalf.”

“RESOLVED FURTHER that the Board of Directors of the Company (including its Committee thereof) be and is hereby authorized to do all acts and take all such steps as may be considered necessary, proper or expedient to give effect to this Resolution.”

**Special Business:**

5. To ratify the remuneration payable to the Cost Auditor M/s.Aruna Prasad, Cost Accountants, Chennai for the financial year ending 31st March, 2019:

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of `Rs. 50,000/- (Rupees Fifty thousand Only) plus GST as applicable and reimbursement of out of pocket expenses, at actual, as approved by Board of Directors of the Company, to be paid to M/s Aruna Prasad & Co., , Cost Auditors (Firm Registration No 100883) of the Company for conducting the audit of the cost records of the Company for the Financial Year ending on 31st March, 2019, be and is hereby ratified and confirmed.”

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorised to do all such acts, deeds & things and to take all such steps as they may deem necessary, proper or expedient to give effect to this resolution.”

**By Order of the Board of Directors**  
For Panyam Cements & Mineral Industries Ltd

**Place: Nandyal**  
**Date: 13th November, 2018.**

**S. SREEDHAR REDDY**  
Managing Director  
Din No. 01440442

Regd. Office  
C-1, Industrial Estate  
Nandyal - 518 502,  
Kurnool District, Andhra Pradesh  
CIN: L26940AP1955PLC000546

## PANYAM CEMENTS & MINERAL INDUSTRIES LIMITED

### Notes:-

1. The Explanatory Statement pursuant to section 102 of the Companies Act, 2013 (Act) in respect of the business under Item Nos. 4 and 5 of the Notice, is annexed hereto. The relevant details as required under clause 49 of the Listing Agreement entered into with the Stock Exchange, of persons seeking appointment/ re-appointment as Directors under Item No. 2 to 3 of the Notice, are also annexed.
2. A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. Brief resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange are provided.
5. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Sundays, during business hours up to the date of the Meeting.
8. The Company has notified closure of Register of Members and Share Transfer Books from 24.12.2018 to 31.12.2018 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.
9. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / XL Softech Systems Ltd.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / XL Softech Systems Ltd.
11. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form can be downloaded from the Company's website [www.panyamcements.com](http://www.panyamcements.com) under the section 'Investor Relations'.
12. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to XL Softech Systems Ltd, for consolidation into a single folio.
13. Non-Resident Indian Members are requested to inform XL Softech Systems Ltd, immediately of:
  - (a) Change in their residential status on return to India for permanent settlement.
  - (b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
14. To support the 'Green Initiative', members who have not registered their e-mail addresses so far are requested to register their e-mail address with XL Softech Systems Ltd/Depositories for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

15. SEBI has amended Regulation 40 off Securities and Exchange Board of India (List of Obligations and Disclosure Requirements) Regulations 2015 vide Gazeta Notification dated June 8, 2018, that transfer of Securities i.e. shares would be carried out in dematerialization form only. Hence the members who are holding shares of the company in physical form are requested to get their shares dematerialized on or before 31st December 2018.
16. The Notice of the AGM along with the Annual Report 2017-18 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
17. The Annual Report of your company for the financial year 2017-18 would also be made available in the Company's website "www.panyamcements.com"
18. In compliance with the provisions of section 108 of the Act and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all resolutions set forth in this Notice.

**The instructions for members for voting electronically are as under:-**

**In case of members receiving e-mail:**

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DPID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) 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.
- (vii) 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 sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence 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. <ul style="list-style-type: none"> <li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly 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.

## PANYAM CEMENTS & MINERAL INDUSTRIES LIMITED

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) 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.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
  - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
  - (B) The voting period begins on <Date and Time> and ends on <Date and Time>. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of <Record Date>, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - (C) 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.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
18. Kindly note that the Shareholders can opt only one mode of voting, i.e. either by Physical Ballot or e-voting. If you are opting for e-voting, then do not vote by Physical Ballot also and vice versa. However, in case the Shareholders cast their vote by Physical Ballot and e-voting, then voting done through valid Physical Ballot shall prevail and voting done by e-voting will be treated as invalid.
19. The voting period begins at 9.00 A.M. on 28th December, 2018 and ends at 5.00 P.M. on 30th December, 2018. The e-voting module shall also be disabled by CSDL for voting thereafter.
20. The Company has appointed Mr. G.M.V. Dhanunjaya Rao, Company Secretary, Flat No. 2A, Cheruku Apartments, Door No.3-6-653/1, Street No.9, Himayatnagar, Hyderabad - 500 029, who in the opinion of the Board is a duly qualified person, as a Scrutinizer who will collate the electronic voting process in a fair and transparent manner. The Scrutinizer shall within a period of three working days from the date of conclusion of the shareholders meeting, submit his report after consolidation of e-voting and the votes in the shareholders meeting, cast in favour of or against, if any, to the Chairman of the meeting. Results will be uploaded on the company's website as well as intimated to the Stock Exchange (BSE).
21. The Scrutinizer will submit his report to the Chairman of the meeting after completion of the scrutiny of the e-voting process and the results will be announced at the Registered Office of the Company situate at C-1, Industrial Estate, Nandyal - 518 502, Kurnool District, Andhra Pradesh on 1st January, 2019.



**Information as required by clause 49 (VIA) of the Listing Agreement:**

As required by clause 49(VIA) of the Listing Agreement with the Stock Exchange, the information relating to the Directors proposed to be appointed/re-appointed is provided hereunder:

**Item No.2:**

Sri V. Suresh Kumar, (DIN No. 01788268) aged about 45 years, has obtained his degree i.e. B.E. in Computer Science and M.Sc. in Physics from BITS, Pilani. He got extensive experience in managing projects in VLSL. He has extensively travelled to Japan, Germany and USA and gained vast experience. His vast experience will be an added advantage to the growth of the company

**Item No.3:**

Sri V. Ramnath, (DIN No.01303846) aged about 62 years, is an Engineering Graduate in Civil and is having about 30 years of industrial experience having worked in different capacities/positions. His guidance and services are immense for further growth of the company

**EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013:**

**Item No.4:**

In terms of the provisions of Section 139(1) of the Companies Act, 2013("the Act"), the appointment of Statutory Auditors is subject to ratification by the members of the Company at the every Annual General Meeting("AGM") of the Company. M/s.K.S. Rao and Co., Chartered Accountants. Hyderabad having Registration No. 003109S, were appointed as Auditors of the Company at the AGM of the company held on 26th September, 2017 to hold the office from the conclusion Annual General Meeting held on 26th September, 2017 for a term of five years commencing from the Company's financial year 2017-18 to hold office from the conclusion of the 61st Annual General Meeting till the conclusion of the 66th Annual General Meeting to be held during 2021-22, subject to ratification of their appointment by the Members at every intervening Annual General Meeting on a remuneration plus applicable GST, out-of-pocket expenses, etc. incurred in connection with the Audit as may be decided by the Board of Directors in consultation with the Auditors.

The Board commends the Resolution at Item No.4 for approval by the Members.

None of the Directors or Key Managerial Personnel and their relatives are concerned or interested in the Resolution at Item No.4 of the Notice.

**Item No.5**

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Shareholders of the Company.

The Board of Directors of the Company on the recommendations of the Audit Committee, approved the appointment and remuneration of M/s.Aruna Prasad & Co., Cost Accountants, Chennai, Cost Auditors, to conduct the cost audit of the cost records of the company for the financial year ending 31st March, 2019 on a remuneration of Rs.50,000/ (Rupees fifty thousand only) plus tax as applicable, and reimbursement of out-of-pocket expenses. Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No.5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending 31st March, 2019.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.5 of the Notice. The Directors recommend the Resolution as stated at Item No 5 of the Notice for approval of the Members by way of an Ordinary Resolution.

**By Order of the Board of Directors**  
For Panyam Cements & Mineral Industries Ltd

**Place: Nandyal**

**Date: 13th November, 2018.**

**S. SREEDHAR REDDY**  
Managing Director

Regd. Office  
C-1, Industrial Estate  
Nandyal - 518 502,  
Kurnool District, Andhra Pradesh  
CIN: L26940AP1955PLC000546

**PANYAM CEMENTS & MINERAL INDUSTRIES LIMITED**

**Details of Directors Seeking Appointment/Re-appointment at the Annual General Meeting:-**

Particulars	V. Sureshkumar Shastry	V. Ramnath
Date of Birth	27-11-1973	09-02-1956
Date of Appointment	30-05-2011	18-01-1992
Qualifications	B. Tech	B. Tech
Expertise in specific functional areas	Managing projects in VLSSL and PVC Pipes	Cement Technology and Printing Technology
Directorships held in other companies (excluding foreign companies)	<ul style="list-style-type: none"> <li>• Kasura Technologies Pvt.Ltd.</li> <li>• Nandi Grain Derivatives P.Ltd.</li> <li>• Sujala Infrastructure Pvt.Ltd.</li> <li>• Nandi Trade Impex Private Limited</li> <li>• Integrated Thermoplastics Pvt.Ltd.</li> <li>• Telangana Pipes Private Limite</li> </ul>	<ul style="list-style-type: none"> <li>• Cheran Cement Ltd</li> <li>• Bon Sante Baking Ltd</li> <li>• Tegra Digital Private Ltd .</li> <li>• Jakkampudi Economic Township Development Corporation Ltd.</li> </ul>
Memberships/ Chairmanships of committees of other companies (includes only Audit Committee and Shareholders/ Investors Grievance Committee)	Nil	Nil
Number of shares held in the Company	1843752	Nil

**62<sup>nd</sup> ANNUAL REPORT 2017-18****DIRECTORS' REPORT :**

To  
Dear Members

Your Directors have pleasure in presenting the 62nd Annual Report and Audited Statements of Accounts for the year ended 31st March, 2018:

**FINANCIAL RESULTS:**

Particulars	(Rs. in lakhs)	
	Year ended 31 <sup>st</sup> March 2018	Year ended 31 <sup>st</sup> March 2017
Revenue from Operations	17454.86	24053.16
Other Income ..	1583.33	1411.53
Total Revenue	<u>19038.19</u>	<u>25464.69</u>
Profit before Interest and Depreciation	1155.97	3148.14
Less: Interest and Finance charges ..	3389.69	2377.21
Less: Depreciation and Amortisation ..	936.28	701.51
Profit / (Loss) before Exceptional Items and Tax	(-) 3170.00	69.42
Add Exceptional Items on transfer of Wire Division Land	26.24	23.29
Property under Joint Development Agreement		
Profit / Loss (-) before tax	(-) 3143.76	92.71
Less Provision for Income Tax for the year	-	125.00
Net Loss after tax	(-) 3143.76	-32.29
Net gains / (Loss) on FVTOCI equity securities	70.79	(-) 1864.09
Total Comprehensive Income for the period (TCI)	(-) 3072.97	(-) 1896.38

**OPERATIONS:**

The company has produced 4,58,469 M.Tonnes of cement during the year 2017-18, as against 5,74,882 M. Tonnes produced during the previous year. The performance of the Company was satisfactory. The market conditions have continued at the same level as was prevailing in the last year. The gross sales for the year under report was Rs. 21219.08 lakhs as against Rs. 26655.42 lakhs in the previous year. The Net Loss after tax for the year was Rs. 3143.76 lakhs as against Net Loss of Rs. 32.29 lakhs in the last year.

As stated in our last year's Annual Report, the developer Greenage Griha Nirman Private Limited (formerly known as Bhimshankar Realtors Private Limited) has Completed the first phase of construction consists of four blocks and the remaining six blocks in second phase have also been completed. The Bangalore Development Authority has also issued the respective Occupancy Certificates to that effect.

## PANYAM CEMENTS & MINERAL INDUSTRIES LIMITED

### **MODERNISATION OF THE CEMENT UNIT:**

As stated in our last year Annual Report, the modernization works for improving the efficiency and productivity to reduce the operational costs and cutting down of logistics has been put on hold to stabilize the operations of the unit.

The Close Circuit System for Cement Mills is under implementation, which will reduce the power consumption and improve the Quality.

### **DIVIDEND:**

Your Directors regret their inability to recommend any dividend on Equity Shares in view of the carry forward losses. Consequently the payment of dividend in respect of Redeemable "C" Cumulative Preference Shares held by the Financial Institutions also has been passed over.

### **FIXED DEPOSITS:**

The Company has not accepted any Fixed Deposit during the year and there are no fixed deposits outstanding as on 31st March, 2018.

### **INSURANCE:**

The assets of the Company are adequately insured.

### **CURRENT YEAR PROSPECTS:**

The management is making effort to improve the performance of the company. The growth in Cement Sector is expected to be around 8% in the financial year 2018-19, which is encouraging vis-à-vis growth over the last few years. The Government's un-remitting thrust on bringing nation's infrastructure upto speed coupled with inclusive growth, is the major push factor for the country. The out look for the sector is bright. Further, we are seeing green shoots from the housing and real estate sectors driven by Government's initiatives in the infrastructure and construction sectors.

### **CONVERSION OF WARRANTS:**

As already informed in the last year's Annual Report, the Board of Directors of the Company at their meeting held on 1st March, 2017 have issued and allotted 8,43,060 Equity Shares to the said allottees, subject to the approval of the same by the BSE. The company has already submitted an application to BSE for listing of the said shares and the same is pending before BSE

### **INDUSTRIAL RELATIONS:**

Company's Industrial Relations continue to be harmonious and cordial.

### **EMPLOYEES:**

Your Directors wish to place on record their sincere appreciation of the whole-hearted co-operation extended and the valuable contribution made by the employees at all levels.

### **AUDITORS:**

Pursuant to the provisions of Section 139 of the Act and the Companies (Audit and Auditors) Rules, 2014, M/s. K.S.Rao & Co., Chartered Accountants, Hyderabad (Firm Registration No: 003109S) had been appointed as Statutory Auditors of your Company for a term of five years commencing from the company's financial year 2017-18 to hold the office from the conclusion of the 61st Annual General Meeting till the conclusion of the 66th Annual General Meeting to be held in 2021-22. In terms of the provisions of the Act, your ratification to their appointment as Statutory Auditors of your Company is being sought at the ensuing AGM and forms part of the Notice convening the AGM. The said Statutory Auditors have confirmed that they are not disqualified to act as Auditors and are eligible to hold office as Auditors of your Company.

### **AUDITOR'S REPORT:**

As regards non-provision of gratuity, superannuation and leave encashment liability on actuarial valuation, it is provided on the retirement of employees on a consistent basis and the liability is not ascertained. As regards non remittance of undisputed statutory dues as mentioned in para vii(a) of Annexure to Auditors' Report and dues to banks as mentioned in para (ix) of the Annexure to the Report, the Company is clearing the statutory dues in a phased manner.

### **COST AUDIT:**

The Board of Directors of your Company have on the recommendation of the Audit Committee appointed M/s.Aruna Prasad & Co., Cost Accountants, Chennai as Cost Auditors of the Company to conduct the cost audit of your company for the financial year ending 31st March, 2019, at a remuneration as mentioned in the Notice convening the Annual General Meeting. As required under the Act, the remuneration payable to cost auditors has to be placed before the members at a general meeting for ratification . Hence, a resolution seeking your ratification for the remuneration payable to the Cost Auditors forms part of the Notice of the ensuing Annual General Meeting.

### **SECRETARIAL AUDIT:**

The Board has appointed M/s. GMVDR Associates, Practising Company Secretaries to conduct Secretarial Audit for the FY 2017-18. The Secretarial Audit Report for the financial year ended March 31, 2018 is annexed to this Report as Annexure III. The qualification/remarks made in the Secretarial Audit Report are self-explanatory.

### **DIRECTORS:**

In terms of the Articles of Association of the Company, Sri V. Suresh Kumar and Sri V. Ramnath, will retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

**INDEPENDENT DIRECTORS**

The Company has received necessary declaration from all the Independent Directors under Section 149(7) of the Companies Act, 2013, that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013.

**BOARD EVALUATION:**

The Board evaluated the effectiveness of its functioning and that of the Committees and individual Directors by seeking their inputs on various aspects of Board/Committee Governance.

The aspects covered in the evaluation included the contribution to and monitoring of corporate governance practices, participation in the long term strategic planning and the fulfillment of Directors' obligation and fiduciary responsibilities, including but not limited to, active participation at the Board and Committee Meetings.

The Chairman of the Board has one-on-one meetings with the independent directors and the Chairman of the Nomination and Remuneration Committee had one-on-one meetings with the Executive and Non-Executive Directors. These meetings were intended to obtain Directors' inputs on effectiveness of Board/Committee processes.

The Board considered and discussed the inputs received from the Directors.

Further, the independent Directors at their meeting, reviewed the performance of Board, Executive and Non-Executive Directors.

**VIGIL MECHANISM:**

The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in terms of the Listing Agreement, includes an Ethics and Compliance Task Force comprising Senior Executives of the Company, Protected disclosures can be made by a whistle blower through an e mail or a letter to the Task Force or to the Chairman of the Audit Committee. The Policy on Vigil Mechanism and whistle blower policy may be accessed on the company's website at the link <http://www.panyamcements.com>.

**APPOINTMENT OF WOMAN DIRECTOR**

To comply with the requirements of Section 149(1) of the Companies Act, 2013 read with listing Agreement executed with BSE Limited, Mrs. V. Aravinda Rani was appointed as a Non-Executive Woman Director on the Board of the Company with effect from August 13, 2014.

**KMPS OTHER THAN DIRECTORS:**

In accordance with the provisions of the Companies Act, 2013 and Listing Agreement with the Stock Exchange,

Sri S. Sreedhar Reddy, Managing Director and Sri S. Nageswara Reddy, Chief Financial Officer have been designated as the KMPs of the Company.

**MEETINGS OF THE BOARD**

The Board of Directors of your company met seven times during the year to deliberate on various matters. Further details on the Board of Directors are provided in the Corporate Governance Report forming part of this Annual Report.

**AUDIT COMMITTEE:**

The Audit Committee was reconstituted with the following members Sri P. Jayarama Reddy, Sri V. Ramnath and Sri S. Panduranga Rao. The Committee comprises of majority of independent Directors with Sri P. Jayarama Reddy being the Chairman. Sri S. Sreedhar Reddy, Managing Director and Sri S. Nageswara Reddy, Chief Financial Officer are the permanent invites. Further details relating to the Audit Committee are provided in the Corporate Governance Report forming part of this Annual Report.

During the year, all the recommendations made by the Audit Committee were accepted by the Board.

**CORPORATE SOCIAL RESPONSIBILITY (CSR)**

In terms of the provisions of Section 135 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors of your Company has constituted a Corporate Social Responsibility ("CSR") Committee which is Chaired by Sri V. Suresh Kumar. The other members of the Committee are Sri P. Jayarama Reddy, Independent Director and Sri V. Ramnath, Non-Executive Director. Your company also has in place a CSR Policy which is accessible on your Company's website: [viz.panyamcements.com](http://viz.panyamcements.com).

The Company has taken various Corporate Social Responsibility (CSR) activity around the factory site since its inception. The Company has taken appropriate steps to the possible extent to implement CSR activities for the development of areas surrounding the company in particular and other areas in general.

In view of the in adequate net profits during the last three years, the company could not spent any amount on CSR activities.

**CORPORATE GOVERNANCE:**

Your Directors reaffirm their continued commitment to good corporate governance practices. During the year under review, your company was in compliance with the provisions of Listing Regulations relating to Corporate Governance, as set out by Securities Exchange Board of India.

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A separate report on Corporate Governance is incorporated along with a certificate from the Auditors of the Company regarding compliance of the conditions of Corporate Governance and are given separately as a part of the Directors' Report. Further as a part of the report, "Management Discussion and Analysis" has also been furnished.

### **DIRECTORS' RESPONSIBILITY STATEMENT:**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:-

- i. That in the preparation of the annual Accounts, the applicable accounting standards had been followed, with proper explanation, and that there were no materials departures.
- ii. That the Directors had selected such accounting policies applied consistently, and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year, and of the loss of the Company for the year.
- iii. That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the company, and for preventing and detecting fraud and other irregularities;
- iv. That the annual financial statements have been on a going concern basis.
- v. That proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- vi. That systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

### **DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.**

The Company has zero tolerance towards sexual harassment at the work place and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under.

The Company has no such cases of sexual harassment at workplace.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING/OUTGO:**

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under section 134 (3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are set out in the Annexure I and forms part of the report.

Please refer to Form No. AOC-2 in Annexure V for the details of related party contracts or arrangements.

### **Listing Agreement:**

The Securities and Exchange Board of India (SEBI), on September 2, 2015, issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with the aim to consolidate and streamline the provisions of the Listing Agreement for different segments of capital markets to ensure better enforce ability. The said regulations were effective December 1, 2015. Accordingly, all listed entities were required to enter into the Listing Agreement within 6 months from the effective date. The Company entered into Listing Agreement with BSE Limited on 29th February, 2016 wherein the Equity Shares and Non-Convertible Bonds issued by the Company are listed.

The Equity/Preference Shares of the Company are listed on the BSE Limited and the annual listing fee was paid to the said Stock Exchange for the financial year 2017-18 on 7th April, 2017.

### **RISK MANAGEMENT**

A Special Team with Senior Executives has been formed which has been entrusted with the responsibility to assist the Managing Director in (a) Over seeing and approving the Company's enterprise risk management frame work, and (b) Overseeing that all the risks that the operation faces such as strategic, financial, credit market, liquidity, security, property, IT, legal, regulatory, reputational and other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks.

The Company manages, monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. The Company's management systems, organizational structures, processes, standards, code of conduct and behaviors together form the Management and business the Company.

The Company has introduced several improvements to Integrated Enterprise Risk Management, Internal controls, Management and Assurance frameworks and processes to drive a common integrated view of risks, optimal risk mitigation responses and efficient management of internal control and assurance activities. This integration is

enabled by all three being fully aligned across country wide Risk Management, Internal Control and Internal Auditor methodologies and processes.

**CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:**

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and at an arm's length basis. During the year, the Company had not entered into any contract/ arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

There are no materially significant related party transactions that may have potential conflict with interest of the Company at large. Please refer to Form No. AOC-2 in Annexure V for the details of related party contracts or arrangements.

**SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

The Company is not having any Subsidiaries, Joint Ventures and Associated Company.

**EXTRACTION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLOSURES MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS**

Statutory Auditors of the Company and the Practicing Company Secretary, who have conducted statutory audit and Secretarial Audit who have conducted Statutory Audit and Secretarial Audit have not made any adverse comments on the activities of the company for the financial year 2017-18. The remarks made in the Auditor' Report and Secretarial Audit Report are self-explanatory.

**COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES.**

The Nomination and Remuneration Committee has been constituted by the Board in its meeting held on 30th March, 2015 to ensure the appointment of persons having wide exposure in their fields, having independence as defined in the Act to be available for appointment as Director (The Committee always keeps a list of eminent persons having independence available for the Company's requirement depending upon vacancy on the Board). As regards remuneration payable to Whole time Directors including Chairman and Managing Director, the Board will take collective decision within the parameter of various statutes

including Companies Act, 2013 and Listing Agreement. The Committee will follow the Company's policy to discharge its duties whenever necessity arises. It will not be out of place to mention that the set policy being followed since inception of the Company to ensure transparency.

**INTERNAL FINANCIAL CONTROLS:**

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation were observed.

**MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

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

**DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

There were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

**ANNUAL RETURN IN FORM MGT-9 FORMAT:**

In terms of the provisions of Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return of your company for the financial year ended 31st March, 2018 is given in Annexure IV.

**CAUTIONARY STATEMENT:**

Statements in the Management Discussion and Analysis Report describing the Company's objectives, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to your company Company's operations include demand supply conditions, finished goods prices, cyclical demand and pricing in your Company's principal markets, change in Government regulations, tax regimes, economic developments within India within in which your

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company conducts business and other factors such as litigation and labour negotiations. Your company is not obliged to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent development, information or events or otherwise.

### **ACKNOWLEDGMENTS:**

Your Directors are happy to acknowledge the financial assistance given to the Company by the Banks, Institutions, Debenture Holders, Stakeholders and business associates. Your Directors also express their thanks to the Central and State Government Departments for their co-operation and support and look forward to their continued support in future. We thank our employees for their contribution to your company's performance. We applaud them for their super levels of competence, dedication and commitment to your company.

**By Order of the Board of Directors**  
For Panyam Cements & Mineral Industries Ltd

**(V. SURESH KUMAR)**  
Director

**(S. SREEDHAR REDDY)**  
Managing Director

Place:- Nandyal

Dated:- 13<sup>th</sup> November, 2018.



ANNEXURE TO DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2018:

ANNEXURE I

**A. Conservation of Energy:**

**(a) Energy conservation measures taken:**

High Efficiency fans are being installed, Raw Mills output has increased around 30% which will save atleast 5% of power consumption in this section by installation of secondary crusher.

Installation of VRPM is being taken up to increase the output of cement mills by about 60% so that power consumption can be reduced by 10%.

To increase the Mills efficiency AIA liners are being installed in all the seven mills.

**(b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:**

High Efficiency separators are being installed for better output and energy saving.

**(c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production:**

Savings on energy thereby reducing the cost of production.

**(d) Total energy consumption per unit of production:**

Particulars given in Form "A" annexed.

**B) Technology Absorption:**

Particulars given in Form "B" annexed.

**C) Foreign Exchange Earnings and Outgo:**

a) Activities relating to exports, initiatives taken to increase the export, development of new export market for products and services and export plans:

No exports were made during the year under review.

b) Total foreign exchange used: Nil

c) Total Foreign Exchange earned Nil

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<b>FORM 'A'</b>				
<b>FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY</b>				
S.No.	Particulars	Unit	CEMENT DIVISION	
			31-03-2018	31-03-2017
<b>A</b>	<b>POWER AND FUEL CONSUMPTION:</b>			
1	<b>ELECTRICITY</b>			
a)	Purchased			
	UNITS	000KWH	44426	57322
	TOTAL AMOUNT	Rs. Lakhs	3115.90	3800.73
	AVERAGE RATE	Rs./KWH	7.01	6.63
b)	Own Generation			
	UNITS	000 KWH		-
	UNITS PER LITRE OF DIESEL	KWH		-
	COST PER UNIT	RUPEES		-
2	<b>COST(MINERAL COAL C-E/ IMPORTED GRADE)</b>			
	Quantity	Tonnes	53511	69831
	Total Cost	Rs.lakhs	3445.51	3800.73
	Average Rate	Rs.per MT	6438.88	5206.33
3	<b>FURNACE OIL</b>			
	QUANTITY	KILO LTS.		
	TOTAL COST	Rs. lakhs		
	AVERAGE RATE	RUPEES		
<b>B</b>	<b>CONSUMPTION PER UNIT OF PRODUCTION</b>			
	<b>ELECTRICITY</b>	KWH/tones of cement	97	100
	<b>COAL</b>	Kgs/tonnes of cement	117	121
<b>FORM 'B'</b>				
<b>A. RESEARCH AND DEVELOPMENT (R &amp; D)</b>		3. Future course of action:		
1. Specific area in which R & D is carried out by the Company:		The Company has a system of continuously evaluating various production processes for up gradation		
The company is carrying out R & D in fuel consumption . Alternate fuels i.e. waste from the basic drug industries was tested and we have already started using these materials on a trial basis, since last quarter. This will reduce the consumption of regular coal.		4. Expenditure on R and D:		
2. Benefits derived as a result of the above efforts		No separate amount is incurred in respect of Research and Development.		
The benefits will be arrived after completion of the these development works.		<b>B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:</b>		
		- Not applicable -		

**SECRETARIAL AUDIT REPORT**

To,  
The Members,  
Panyam Cements and Mineral Industries Limited  
Nandyal, Kurnool District.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Panyam Cements And Mineral Industries Limited (hereinafter referred as “the company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial records. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.

Based on our verification of the company’s books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the financial year ended on 31.03.2018 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2018, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment only. The Company has not made any Overseas Direct Investment.
- 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 (Listing Obligations & Disclosure Requirements) Regulations, 2015;
  - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not Applicable as the Company has not formulated any such scheme during the Audit Period);
  - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable as the Company has not delisted its equity shares from any Stock exchange during the Audit Period); and
  - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not Applicable as the Company has not bought back any of its securities during the Audit Period);
- (vi) Other laws applicable to the Company as per the representation made by the Management. (Refer Annexure - 1)

We have also examined compliance with the Secretarial Standards issued by the Company Secretaries of India and the Company has complied with the Secretarial Standards.

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We have not examined compliance by the Company with applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory financial audit and other designated professionals.

During the period under review and as per the explanations and clarifications given to us and their presentations made by the Management, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above except the following:

- a) It has been observed that the Company has issued 19,299 Redeemable 'C' Cumulative Preference Shares of Rs.100/- each. The Company may consider the redemption of the same in accordance with the provisions of Sec.55 of the Act.
- b) The Company doesn't have a Company Secretary as required under Section.203(1)(ii) of the Companies Act, 2013
- c) The composition of Board of Directors is not in accordance with the provisions of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.
- d) The Company has not complied with the disclosure requirements as mentioned under Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

We further report that:

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

During the period under review, Mr. Sreedhar Reddy Sajjala, Mr. Vemuri Suresh Kumar and Mrs. Vemuri Aravinda Rani were disqualified in terms Section.164(2(a) of the Companies Act, 2013. Hon'ble High Court of A.P & Telangana has granted stay on the disqualification, so as to enable them to avail Condonation of Delay Scheme, 2018.

- b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c) As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

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

We further report that:

- i. The application for listing approval for 8,43,060 equity shares of Rs.10/- each is pending with BSE Limited;

For GMVDR & Associates  
Company Secretaries

Place: Hyderabad  
Date: 28.09.2018

(G.M.V. Dhanunjaya Rao)  
Proprietor  
FCS# 9120; C.P # 5250

### Annexure-1

#### List of applicable laws:

- ★ The Factories Act, 1948
- ★ The Payment of Bonus Act, 1965
- ★ The Environment (Protection) Act, 1986
- ★ Industries (Development and Regulation) Act, 1951
- ★ Mines Act, 1952

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**FORM NO. MGT. 9**  
**EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31.03.2018  
[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:**

CIN	L26940AP1955PLC000546
Registration Date	23.06.1955
Name of the Company	Panyam Cements & Mineral Industries Ltd
Category / Sub-Category of the Company	Public Company / Limited by Shares
Address of the Registered office and contact details	C1, Industrial Estate, Bommalasatram, Nandyal - 518502, (A.P) Tele : 08514-222274 Email: regoffice@panyamcements.com
Whether listed company Yes / No	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s X L Softech Systems Ltd 3, Sagar Society, Road No - 2 Banjara Hills, Hyderabad – 500 034, (T.S) Tele: 040-23545913/14/15, Fax: 040-23553214 Email: xlfield@rediffmail.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

S.No.	Name and Description of main Products / Service	NIC Code of the Product / Service	% to total turnover of the company
1.	Ordinary Portland Cement, Portland Pozzolana Cement and Portland Slag Cement	2394	

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

S.No.	Name and Address of the Company	CIN / GIN	Holding / Subsidiary Associate	% of Shares Held	Applicable Section
1.	<b>S.P.Y. Agro Industries Limited</b> Plot No. 188, Phase - II, 1st Floor, Kamalapuri Colony, Hyderabad - 500 073.	U01100TG2005PLC045887	Associate 1,25,00,000	23.58	185/186 of the Companies Act, 2013

**PANYAM CEMENTS & MINERAL INDUSTRIES LIMITED**

**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				Changes during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	No. of Shares	% Change during the year
<b>A. Promoters</b>										
<b>(1) Indian</b>	8873229	500	8873729	55.40	8873229	500	8873729	52.63	0	0
g) Individual/ HUF										
h) Central Govt										
i) State Govt (s)										
j) Bodies Corp.										
k) Banks/FI										
l) Any Other..										
<b>Sub-total (A) (1):-</b>	<b>8873229</b>	<b>500</b>	<b>8873729</b>	<b>55.40</b>	<b>8873229</b>	<b>500</b>	<b>8873729</b>	<b>52.63</b>	<b>0</b>	<b>0</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>8873229</b>	<b>500</b>	<b>8873729</b>	<b>55.40</b>	<b>8873229</b>	<b>500</b>	<b>8873729</b>	<b>52.63</b>	<b>0</b>	<b>0</b>
<b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b>										
<b>B. Public Shareholding</b>										
1. Institutions										
a) Mutual Funds	600	450	1050	0.00	600	0	600	0.00	(450)	0
b) Banks/FI	10050	0	10050	0.60	0	55280	55280	0.33	45230	0.26
c) Central Govt										
d) State Govt(s)										
e) Venture Capital Funds										
f) Insurance Companies	57260	850	58110	0.36	57260	850	58110	0.35	0	0
g) FIIs	0	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds										
i) Foreign Portfolio Investors	0	0	0	0	0	678663	678663	4.02	678663	4.02
i) Others (specify)										
<b>Sub-total (B)(1):-</b>	<b>67910</b>	<b>1300</b>	<b>69210</b>	<b>0.42</b>	<b>57860</b>	<b>734793</b>	<b>792653</b>	<b>4.70</b>	<b>723443</b>	<b>4.28</b>
2. Non-Institutions	1384065	70080	1454145	9.08	1003526	179457	1182983	7.01	(271162)	(1.60)
a) Bodies Corp.										
i) Indian										
ii) Overseas										
b) Individuals										
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	2579818	364680	2944498	18.38	3001781	354860	3356641	19.91	412143	2.46
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	2488324	0	2488324	15.53	2521202	0	2521202	14.95	32878	0.19
c) Others (specify)										
NRI	85617	310	85927	0.54	86742	310	87052	0.52	1125	0
Bodies (Clearing members)	102306	0	102306	0.05	46939	0	46939	0.28	(55367)	(0.33)
<b>Sub-total (B)(2):-</b>	<b>6640130</b>	<b>435070</b>	<b>7075200</b>	<b>44.17</b>	<b>6660190</b>	<b>534627</b>	<b>7194817</b>	<b>42.67</b>	<b>119617</b>	<b>0.72</b>
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>6708040</b>	<b>436370</b>	<b>7144410</b>	<b>44.60</b>	<b>6718050</b>	<b>1269420</b>	<b>7987470</b>	<b>47.37</b>	<b>843060</b>	<b>5.00</b>
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0	0
<b>Grand Total (A:B+C)</b>	<b>15581269</b>	<b>436870</b>	<b>16018139</b>	<b>100</b>	<b>15591279</b>	<b>1269920</b>	<b>16861199</b>	<b>100</b>	<b>0</b>	<b>0</b>

**NOTE:** 1. Shares shown in Foreign Portfolio Investors, includes 678663 which are allotted to EW India Special Assets Fund Pte Ltd are pending with BSE for listing approval.  
2. Shares shown in Bodies Corp. Indian, includes 164397 which are allotted to ECap Equities Ltd are pending with BSE for listing approval.

**i) Shareholding of Promoters**

Sl. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding 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	S.P.Y. Reddy	1731404	10.81	100	1731404	10.27	100	0
2	S. Sreedhar Reddy	2076007	12.96	99.98	2076007	12.31	99.98	0
3	V. Suresh Kumar	1878102	11.72	100	1878102	11.14	100	0
4	S. Sujala	1142774	7.13	100	1142774	6.78	100	0
5	V. Aravinda Rani	1073081	6.70	100	1073081	6.36	100	0
6	S. Parvathi	971861	6.07	100	971861	5.76	100	0
7	Francis Reddy	500	0.00	0	500	0.00	0	0
	<b>Total</b>	<b>8873729</b>	<b>55.40</b>	<b>99.99</b>	<b>8873729</b>	<b>52.63</b>	<b>99.99</b>	<b>0</b>

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

Sl. No.		Shareholding at the beginning of the year		Commutative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	S.P.Y. Reddy				
	Beginning of the Year	1731404	10.81		
	End of the Year			1731404	10.27
2	S. Sreedhar Reddy				
	Beginning of the Year	2076007	12.96		
	End of the Year			2076007	12.31
3	V. Suresh Kumar				
	Beginning of the Year	1878102	11.72		
	End of the Year			1878102	11.14
4	S. Sujala				
	Beginning of the Year	1142774	7.13		
	End of the Year			1142774	6.78
5	V. Aravinda Rani				
	Beginning of the Year	1073081	6.70		
	End of the Year			1073081	6.36
6	S. Parvathi				
	Beginning of the Year	971861	6.07		
	End of the Year			971861	5.76

**PANYAM CEMENTS & MINERAL INDUSTRIES LIMITED**

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	Shareholders Name	Shareholding at the beginning of the year		Commulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	Kali Prasad Sunkara	437400	2.73	437400	2.73
2	Rajasthan Global Securities Pvt Ltd	595213	3.72	384812	2.40
3	Porinju V Veliyath	100000	0.62	200000	1.25
4	Dheeraj Kumar Lohia	105337	0.66	115494	0.72
5	Mahendra Girdharilal	50	0	98330	0.61
6	Ashish Chugh	0	0	97494	0.61
7	Rajesh Choudhary	80843	0.50	78843	0.49
8	L Rama Devi	73300	0.46	73300	0.46
9	Jaideep Sampat	66129	0.41	66129	0.41
10	Edelweiss Broking Ltd	85283	0.53	62677	0.39

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

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Date wise Increase / Decrease in Share holding during the year	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company			No. of Shares	% of total shares of the Company
1	S. Sreedhar Reddy	2076007	12.96	0		0	0
	Beginning of the Year						
	End of the Year 31.03.2018					2076007	12.31
2	V. Suresh Kumar	1878102	11.72	0	0	0	0
	Beginning of the Year						
	End of the Year					1878102	11.14
3	V. Aravinda Rani	1073081	6.70	0	0	0	0
	Beginning of the Year						
	End of the Year					1073081	6.36
4	Dr. R.K Prasad Sunkara	135	0				
	End of the Year					135	0

**V. INDEBTEDNESS**

**Indebtedness of the Company including interest outstanding/accrued but not due for payment: (In Rs. Lakhs)**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change in Indebtedness during the financial year				
• Addition	0	0	0	0
• Reduction	0	0	0	0
<b>Net Change</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Indebtedness at the end of the financial year				
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager (in Rs):**

Sl. No.	Particulars of Remuneration	Name of MD		Total Amount
		S. Sreedhar Reddy		
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (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	18,00,000		18,00,000
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify..			
5.	Others, please specify	-	-	-
	Total (A)	18,00,000	-	18,00,000
	Ceiling as per the Act	-	-	-

**B. Remuneration to other Directors**

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
3.	Independent Directors	P. Jaya Rama Reddy	S. Pandu Ranga Rao			
	• Fee for attending board committee meetings • Commission • Others, please specify	Nil	Nil			
	Total (1)	Nil	Nil			
4.	Other Non-Executive Directors	V. Ramnath	S. Rama Krishana Prasad	V. Suresh Kumar	V. Aravinda Rani	
	• Fee for attending board committee meetings • Commission • Others, please specify	---	---	---	---	
	Total (2)					
	Total (B) = (1 + 2)					
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

**PANYAM CEMENTS & MINERAL INDUSTRIES LIMITED**

**C. Remuneration to key managerial personnel other than MD/Manager/WTD**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		S.Nageswara Reddy, CFO	CS	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (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	10,80,000	--	10,80,000
2.	Stock Option	--	--	
3.	Sweat Equity	--	--	
4.	Commission - as % of profit - others, specify...	--	--	
5.	Others, please specify	--	--	
	<b>Total</b>	<b>10,80,000</b>	<b>--</b>	<b>10,80,000</b>

**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	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

**FORM No. AOC-2**

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto [Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

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

**2. Details of contracts or arrangements or transactions at arm's length basis:**

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any
Sujala Pipes Private Limited	Purchase / Services	12 months	Purchase/Service Rs. 51170726		
Sujala Infrastructure Pvt. Ltd.	Purchase/sale of material	12 months	Sale Rs. 97115		
S.P.Y. Agro Industries Limited	Purchase/sale of material	12 months	Sale Rs. 62000	04-06-2018	-
Integrated Thermo Plastics Ltd	Purchase/sale of material	12 months	Sale Rs. 66000		
Sujala Infrastructure Pvt. Ltd.	Purchase/sale of material	12 months	Capital Purchase Rs. 29996681		

**CORPORATE GOVERNANCE REPORT:****1. Company's Philosophy on Code of Governance:**

The Company believes in adopting and adhering to the best corporate practice and continuously evaluate it against each of such practices. The Company understands and respects its fiduciary role and responsibility to all stakeholders and strives hard to meet their expectations. The Company believes that the Corporate Governance is an important tool for shareholders protection and maximizing their long-term values. Panyam Cements & Mineral Industries Limited functions keeping in tune with this philosophy.

The fundamental objective of company's Corporate Governance is to adopt a methodology, which enhances effectiveness, better utilization of resources, transparency and harmonious relations between various interest groups. The company has been regular in sending its quarterly compliance report on Corporate Governance to Stock Exchange.

**2. Board of Directors:**

The Companies Act, 2013, to the extent applicable, and the Listing Agreement with Stock Exchange govern the composition of the Board of Directors of the Company. The Board comprises of Managing Director and six other Directors. Amongst them, Managing Director is only the Executive Director and all others are Non Executive / Independent Directors.

The Board functions either as a full Board or through Committees. The Board and Committees meet at regular intervals. Policy formulation, evaluation of performance and control functions vest with the Board, while the Committees oversee the share transfers and audit functions.

The Board has constituted four committees viz. the Audit Committee, Share Transfer Committee, Shareholders / Investors' Grievance Committee and Remuneration Committee.

During the year 2017-18, 7 (seven only) Board Meetings were convened on 30th May, 2017; 15th June, 2017; 26th August, 2017; 13th September, 2017; 14th December, 2017; 12th February, 2018 and 24th February 2018. The composition of Directors and the attendance at the Board Meetings during the year and the last Annual General Meeting as also number of other Directorships and Committee Memberships are given below:

Sl. No.	Name of the Director	Category of Directorship	No. of Board Meeting Attended	Attendance at last AGM held on 26th Sept.2017	No. of other Directorships	No. of Membership Chairmanship in Board / Committess (Including our Company)
1.	Sri S. Sreedhar Reddy	Promoter Managing Director	07	Yes	14	1
2	Sri V. Suresh Kumar	Promoter-Director	07	Yes	6	-
3	Sri V. Ramnath	Independent-Non-Executive Director	02	No	5	-
4	Dr. R.K. Prasad Sunkara	NRI-Non-Executive Director	01	No	-	-
5.	Smt. V. Aravinda Rani	Director	06	Yes	15	-
6	Sri P.J. Reddy	Independent Director	07	Yes	-	-
7	Sri S. Panduranga Rao	Independent	06	No	-	-

**PANYAM CEMENTS & MINERAL INDUSTRIES LIMITED****3) Audit Committee:**

The Committee's composition and terms of reference are in compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. Members of the Audit Committee possess requisite qualifications.

The company continued to derive immense benefit from the deliberations of the Audit Committee comprising of Sri P.J. Reddy; Sri V. Ramnath and Sri S.P. Rao who are independent and Non-Executive Directors. The minutes of each Audit Committee are placed before and discussed by the Board of Directors of the Company.

The Audit Committee met five times during the year i.e.30th May, 2017; 26th August, 2017; 13th September, 2017; 14th December, 2017 and 12th February, 2018.

The attendance at the Audit Committee Meetings is given below:

Sl. No.	Name of the Member	No. of Meeting Held	No. of Meeting Attended
1.	Sri P.J. Reddy	5	5
2.	Sri V. Ramnath	5	2
3.	Sri S.P. Rao	5	5

**4) Remuneration Committee and Policy:**

As there was no change in the remuneration payable to the Managing Director, the committee could not meet during the financial year under review.

The role of the Committee is to determine the remuneration payable to the whole-time directors and key managerial personnel taking into account their qualification, experience, expertise, contribution and the prevailing levels of remuneration in companies of corresponding size and stature and recommending the same to the Board for its approval

**Details of remuneration to Directors for the year ended 31st March, 2018:****i) Executive Directors:**

The Managing Director has drawn an amount of Rs. 18.00 lakhs towards salary for the year ended 31st March, 2018.

The tenure of office of the Managing Director is for five years from the date of appointment, and can be terminated by either party by giving three months' notice in writing. There is no separate provision for payment of severance fees.

**ii) Non-Executive Directors:**

No remuneration other than sitting fee is paid to Non-Executive Directors.

**5 a) Share Transfer Committee:**

During the year 2017-18, the Committee met 13 times. All shares received for transfer were registered in favour of the transferees and dispatched within a month's time, if the documents received were in order. During the year 2017-18, there were no requests pending for transfer.

The attendance at the Share Transfer Committee Meetings is given below:

Sl. No.	Name of the Member	No. of Meeting Held	No. of Meeting Attended
1	Sri S. Sreedhar Reddy	13	07
2	Smt. V. Aravinda Rani	13	05
3	Sri P.J. Reddy	13	08
4	Sri S.P. Rao	13	07

**B. Shareholders/Investors' Grievance Committee:**

The Shareholders/Investors' Grievance Committee consists of Sri V. Suresh Kumar, Smt.V. Aravinda Rani and Sri V. Ramnath. The Committee could not meet during the financial year 2017-18, since there were no complaints / grievances from the shareholders.

**6) Annual General Meetings:**

The last three Annual General Meetings were held as under:

Year	Location	Date	Time
2015	Registered Office C-1, Industrial Estate, Nandyal, Kurnool Dst., A.P.	26.09.2015	11.45 A.M.
2016	Registered Office C-1, Industrial Estate, Nandyal, Kurnool Dst., A.P.	28.09.2016	11.45 A.M.
2017	Registered Office C-1, Industrial Estate, Nandyal, Kurnool Dst., A.P.	26.09.2017	11.45 A.M.

**Special Resolutions:**

In respect of the resolutions passed in the above three respective Annual General Meetings and Extra-Ordinary General Meeting wherever applicable, the necessary Form No. MGT 14 were filed with the Registrar of Companies Disclosures:

The Company has complied with all the mandatory requirements of Corporate Governance norms as enumerated in Listing Regulations.

There were no instances of non-compliance on any matter relating to the capital market, during the last three years.

**7) Whistle Blower Policy**

The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. The Company has a Vigil Mechanism and Whistle blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The reportable matters may be disclosed to the Ethics and Compliance Task Force which operates under the supervision of the Audit Committee. Employees may also report to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee.

**8) Means of Communication:**

The Quarterly results are normally published in "Business Standard" in English and "Andhra Prabha" regional news paper published in the vernacular language. The results are promptly furnished to the stock exchange for display on its web site.

Website: The Company's website ([www.panyamcements.com](http://www.panyamcements.com)) contains a separate dedicated section 'Investors' where shareholders' information is available. The Company's Annual Report is also available in downloadable form.

Annual Report: The Annual Report containing, inter alia, Audited Financial Statements Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. Both "Management Discussion and Analysis" and "Shareholders Information" forms part of the Annual Report.

**PANYAM CEMENTS & MINERAL INDUSTRIES LIMITED**

**9) General Information for Shareholders:**

- |  |  |
|--|--|
| i) Company registration details                              | The Company is registered in the State of Andhra Pradesh, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L26940AP1955PLC000546.  |
| ii) Date, Time and Venue of the                              | 31st December, 2018 at 11.45 A.M. Annual General Meeting Registered Office of the Company situated at Nandyal, Kurnool District, A.P.  |
| iii) Financial Year  | April 1 to March 31  |
| iv) Financial calendar                                       | 1st April 2017 to 31st March 2018  |
| Financial Reporting Un-audited                               |  |
| For the quarter ending June 30, 2018                         | Second week of August 2018   |
| For the quarter ending Sept.30, 2018                         | Second week of November 2018   |
| For the quarter ending December 31, 2018                     | Second week of February 2019   |
| For the quarter ending March 31 2019 (audited)               | Last week of May 2019  |
| Annual General Meeting for the year ending 31st March, 2018. | 31st December, 2018 at 11.45 A.M.  |
| v) Date of Book Closure (both days inclusive)                | From 24-12-2018 to 31-12-2018  |
| vi) Dividend payment date                                    | N.A.   |
| vii) Listing on Stock Exchanges                              | The Company's shares are listed on:<br>BSE Limited<br>Floor 25, Phiroze Jeejeebhoy Towers<br>Dalal Street, Mumbai - 400 001.<br><br>Listing fee was paid to the said Stock Exchange.<br><br>The Company's Non-Convertible Debentures are also listed on BSE Limited. |

**viii) Market Price Data:**

Month	Stock Exchange Mumbai (BSE) Rs.	
	High (Rs)	Low (Rs.)
April 2017	90.05	77.00
May 2017	88.00	70.25
June 2017	66.90	56.20
July 2017	75.00	59.35
August 2017	66.90	54.10
September 2017	64.45	54.65
October 2017	72.90	53.25
November 2017	73.00	62.00
December 2017	68.80	54.00
January 2018	69.35	56.00
February 2018	59.45	46.00
March 2018	48.70	38.50

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- ix) Registrar and Share Transfer Agents : M/s.XL Softech Systems Limited  
3, Sagar Society, Road No. 2,  
Banjara Hills, Hyderabad - 500 034.  
Tel : 040-23545913; 914 & 915  
Fax : 040-23553214  
Email : xlfield@rediffmail.com  
Website : www.xlsoftech.com
- x) Debenture Trustee for Non-Convertible : M/s. IDBI Trusteeship Services Limited  
Debentures Asian Building, Ground Floor  
17, R. Kamani Marg, Ballard Estate  
Mumbai - 400 001.  
Tel : 022-4080 7000  
Fax : 022-6631 1776  
Email : itsl@idbitrustee.com  
Website : www.idbitrustee.com

10 a) Distribution of shareholding as on 31<sup>st</sup> March 2018:

Nominal Value of Shares	No. of Shares Holders	Percentage of Share Holders	Shares Amount in Rs.	Percentage of Share Holders %
UPTO - 5000	6902	82.36	9499420	5.62
5001 - 10000	658	7.85	5543270	3.29
10001 - 20000	379	4.52	5810190	3.45
20001 - 30000	130	1.55	3349650	1.99
30001 - 40000	74	0.88	2700260	1.60
40001 - 50000	65	0.78	3095850	1.84
50001 - 100000	82	0.99	5966590	3.54
100001 & above	90	1.07	132646760	78.67*
<b>TOTAL</b>	<b>8380</b>	<b>100.00</b>	<b>168611990</b>	<b>100.00</b>

Under group / class 100001 and above includes two shareholders viz EW India Special Assets Pte. Ltd and Ecap Equities Ltd to whom 678663 shares and 1,64,397 shares respectively allotted and listing approval from BSE is pending.

**PANYAM CEMENTS & MINERAL INDUSTRIES LIMITED**

**b) Pattern of shareholding as on 31st March 2018.**

<u>Category</u>	<u>No. of Shares</u>	<u>% of shareholding</u>
<b>A Promoter's holding</b>		
1 Promoters : Indian Promoters	6797722	42.44
Foreign Promoters	-	-
2 Persons acting in concert	2076007	12.96
<b>Sub Total</b>	<b><u>8873729</u></b>	<b><u>53.63</u></b>
<b>B Non-Promoters holding</b>		
3 Institutional Investors		
A Mutual Funds and UTI	600	0.00
B Banks, Financial Institutions, Insurance companies (Central, State Government Institutions/Non-Govt Institutions)	58110	0.34
<b>C FIIS</b>	55280	0.33
D Foreign Portfolio Investors	678663	4.02
<b>Sub Total</b>	<b><u>792653</u></b>	<b><u>4.69</u></b>
4 Others		
A Private Corporate Bodies	1182983	7.02
B Indian Public	5877502	34.86
C NRIs/OCBs	86852	0.52
D Any Other(Please Specify)	46939	0.28
<b>Sub Total</b>	<b><u>7194276</u></b>	<b><u>42.68</u></b>
<b>Grand Total</b>	<b><u>16861199</u></b>	<b><u>100</u></b>
<b>Note: Total foreign shareholdings:</b>	<b><u>765515</u></b>	<b><u>4.54</u></b>

**11 Dematerialization of Shares and Liquidity:**

As on 31st March, 2018, 92.47% Equity Shares have been dematerialized.

The Company's shares are available for Demat with National Securities Depository Limited and Central Depository Services (India) Limited. As per directives issued by SEBI, it is compulsory to trade in the Company's Equity Shares in the dematerialized form with effect from September, 2001. The ISIN number allotted for trading in the Company's Equity Shares in Demat form is INE167E01029 at both the Depositories.

During the year 2017-18, the company had received requests for de-materialization 10010 shares. The Company has acted upon all valid requests received for dematerialization during 2017-18.

As on 31st March, 2018, no requests were pending for demat confirmation.



**12) Plant Locations:**

<b>Registered Office</b>	:	C-1 Industrial Estate, Bommalasatram, Nandyal, Kurnool District, Andhra Pradesh Telephone No. : 08514-222274 Website : www.panyamcements.com Email ID : regoffice @panyamcements.com
<b>Cement Work</b>	:	Cement Nagar 518 206 Kurnool District, Andhra Pradesh Telephone No. : 08516 - 274638 Fax : 08516 - 274644 Email ID : pcmil@panyamcements.com
<b>Central Administrative Office</b>	:	Plot No.188, Kamalapuri Colony Phase II, Hyderabad - 500 073. Telangana Telephone No. : 040-2355317 Fax No. : 040-2355316 Email ID : caohyd@panyamcements.com

**MANAGEMENT DISCUSSION AND ANALYSIS:****1. Industry structure and development:**

India's cement demand remained passive for most of FY 2018, particularly on account of low demand from the housing segment. However, there were signs of demand recovery in the last quarter, reflected in double-digit growth riding on higher infrastructure spending and development in Andhra Pradesh and Telangana. As the economy revives, the country's cement industry is expected to perform better.

The Cement Division is incurring losses due to its inability to operate continuously at optimum levels on account of inadequate working capital and high cost of production which is mainly due to high power consumption and coal when compared to industry norms of similar capacity. Now the management has taken various steps to optimize the production levels and taken necessary measures to reduce the cost of production.

**2. Opportunity and threats:**

Our cement plant being strategically located with high quality limestone mines very near to the plant can cater to the neighboring States of Tamil Nadu, Karnataka, Goa and Kerala where the realizations are better. The management is putting its best efforts to revive the industry to normal levels.

**3. Outlook:**

The initiatives by the Central Government such as housing for all, smart cities, Swachh Bharat campaign, infrastructure spending, concrete road initiatives and an increase in allocation of funds to States are likely to see a positive impact on the Cement Industry. Infrastructure development is the need of the nation; this along with rising housing provision will accelerate construction activity. Recovery of the global scenario could also provide impetus to economic growth and cement. The State has seen new players and also the existing players expanding capacities due to huge availability of limestone, which is the primary material for cement. The company is now able to move its finished products through railway wagons due to completion of its railway siding inside the factory.

**4. Risks and concerns**

The drying up of Government contracts through irrigation, infrastructure and housing programmes was major reason for hitting the Industry. However, post the bifurcation of erstwhile Andhra Pradesh and formation of 2 new states will impetus the growth of cement consumption during the year.

Concerns of the Indian Cement Industry are high cost of power and coal, high freight costs, inadequate infrastructure, non-availability of wagons and poor quality of coal and heavy taxes/royalty levies.

## PANYAM CEMENTS & MINERAL INDUSTRIES LIMITED

### **SEGMENT-WISE PERFORMANCE TOGETHER WITH DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:**

Segment-wise (only one segment) performance together with discussion on financial performance with respect to operational performance has been dealt with in the Directors' Report which should be treated as forming part of this Management Discussion and Analysis.

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company is following a proper and adequate system of internal controls in respect of all its activities including safeguarding and protecting its assets against loss from unauthorised use of disposition.

The internal control systems of the company comprises of statutory audit, cost audit and internal audit. The work of all the audits have been assigned to reputed, external, independent and qualified people.

The Audit Committee comprising of independent directors will reviews all quarterly, half yearly and annual financial statements.

### **HUMAN RESOURCES AND INDUSTRIAL RELATIONS:**

The industrial relations at all the plant and offices continue to be cordial during the year under review. The total number of employees at the end of the financial year 2017-18 on the rolls of the Company is 610 at Cement Division and Central Administrative Office.

### **CAUTIONARY STATEMENT:**

Statements in the Management Discussion and Analysis Report describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic supply and demand conditions affecting selling prices of finished goods, input availability and prices, changes in government policies and regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations. The company undertakes no obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events or otherwise. Readers are cautioned not to place undue reliance on these forward looking statements that speaks only as of their dates.

### **CERTIFICATE BY THE CHIEF EXECUTIVE OFFICER ON FINANCIAL STATEMENTS OF THE COMPANY:**

We, S. Sreedhar Reddy, Managing Director and S. Nageswara Reddy, Chief Financial Officer of M/s. Panyam Cements & Mineral Industries Limited do hereby certify that:-

- a) We have reviewed the financial statements and the Cash Flow Statement for the financial year ended March 31, 2018 and that to the best of our knowledge and belief:
  - i) These statements do not contain any material untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the period, which are fraudulent, illegal and violative of the Company's code of conduct.
- c) We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design and 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.
- d) We have indicated to the Auditors and Audit Committee that:
  - i) There have been no significant changes in internal control over financial reporting during the year;
  - ii) There have been no significant changes in accounting policies during the year; and
  - iii) There have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place:- Nandyal  
Dated:- 13<sup>th</sup> November, 2018.

**(S. NAGESWARA REDDY)**  
Chief Financial Officer

**(S. SREEDHAR REDDY)**  
Managing Director

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE :**

To  
The Members of

**M/s. Panyam Cements & Mineral Industries Limited**

We have examined the compliance of conditions of Corporate Governance by M/s. Panyam Cements & Mineral Industries Limited for the year ended 31st March, 2018, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Company's 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 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.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that as per the records maintained by the Company, there were no investor grievance remaining unattended/pending for more than 30 days.

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

**for K.S. RAO & Co.,**  
Chartered Accountants  
Firm's Regn.No.003109S

**Place: Nandyal (Camp)**  
**Date: 13<sup>th</sup> November, 2018.**

**(CA. P. GOVARDHANA REDDY)**  
Partner  
M.No. 029193

## PANYAM CEMENTS & MINERAL INDUSTRIES LIMITED

### INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
M/s. Panyam Cements & Mineral Industries Limited

#### Report on the Standalone Ind AS Financial Statements

We have audited the accompanying Standalone Ind AS financial statements of **M/s. Panyam Cements & Mineral Industries Limited, Nandyal** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2018, the Statement of Profit and Loss, (including Other Comprehensive Income) the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also 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; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act. We conducted our audit of the Standalone Ind AS Financial Statements 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 Standalone Ind AS Financial Statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS 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 Standalone Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Standalone Ind AS Financial Statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS Financial Statements.

#### Basis for Qualified Opinion

- Material uncertainty exists that may cast significant doubt on the entity's ability to continue as a going concern and that the financial statements do not adequately disclose this matter.
- The Company has invested 23.58% in equity share capital of M/s S.P.Y Agro Industries Ltd which is not accounted as per Ind-AS 28 "Investments in Associates and Joint Ventures" for the reason that there is no significant influence over M/s S.P.Y Agro Industries Ltd as disclosed under Note 4 (a). We are unable to obtain sufficient appropriate audit evidence about the non-existence of the Company's significant influence over M/s S.P.Y Agro Industries Ltd. Consequently, we are unable to determine whether any adjustments were necessary.
- 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 financials of the year under report.

#### Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, **except for the possible effect of the matter under paragraph the Basis for Qualified Opinion**, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2018, and its loss, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

#### Other Matters

The comparative financial information of the Company for the year ended 31st March, 2017 and the transition date opening balance sheet as at 1st April 2016 included in these Standalone Ind AS financial statements, are based on the previously issued Financial Statements for the years ended 31st March, 2017 and 31st March, 2016 which have been audited by the predecessor auditor on which they have expressed an unmodified opinion. We have restated the comparative financial information to comply with Ind AS. Adjustments made to the said financial information to comply with Ind AS which have been audited by us.

Our opinion on the Standalone Ind AS Financial Statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of these matters.

#### Report on Other Legal and Regulatory Requirements

- As required by Section 143(3) of the Act, we report that:
  - we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - in our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books;
  - the Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - in our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Accounting Standards prescribed under section 133 of the Act, **except the Ind AS 19 Employee benefits**;
  - on the basis of written representations received from the Directors as on 31st March, 2018 and taken on record by the Board of Directors, we report that Sreedhar Reddy Sajjala, Vemuri Suresh Kumar, Aravinda Rani Vemuri are disqualified from being appointed as directors in terms of section 164(2) of the Act; However, Hon'ble High Court of Judicature of Hyderabad has granted stay to file required documents under Condonation of Delay Scheme, 2018.
  - with respect to the adequacy of the internal financial controls with reference to financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial Statements;
  - 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - the company has disclosed the impact of pending litigations on its Standalone Ind AS Financial Statements - Refer Note No.27 to the Ind AS financial statements;
    - the company did not have any long-term contracts including derivative contracts; as such there were no material foreseeable losses thereon;
    - there are no amounts which are required to be transferred to the Investor Education and Protection Fund, therefore, delay in transferring such sums does not arise.
- 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 B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

for **K.S. RAO & Co.**,  
Chartered Accountants  
Firm's Regn.No.003109S

(**CA. P. GOVARDHANA REDDY**)

Place: Nandyal  
Date: 04<sup>th</sup> June, 2018.

Partner  
M.No. 029193

**ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

**Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to financial statements of **M/s. Panyam Cements & Mineral Industries Limited, Nandyal** ("the Company") as of March 31, 2018 in conjunction with our audit of the Standalone IndAS Financial Statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial Statements 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. 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, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls over financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 Standalone IndAS 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 with reference to financial statements.

**Meaning of Internal Financial Controls with reference to Financial Statements**

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

**Limitations of Internal Financial Controls with reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial reporting to future periods are subject to the risk that the internal financial control with reference to financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2018, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **K.S. RAO & Co.**,  
Chartered Accountants  
Firm's Regn.No.003109S

(**CA. P. GOVARDHANA REDDY**)  
Partner  
M.No. 029193

Place: Nandyal  
Date: 04<sup>th</sup> June, 2018.

## PANYAM CEMENTS & MINERAL INDUSTRIES LIMITED

### ANNEXURE “B” TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i) in respect of the Company's fixed assets:
  - a) the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
  - b) the Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification;
  - c) according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii) in respect of Company's inventory:

the physical verification of inventory has been conducted at reasonable intervals by the management during the year and no material discrepancies were noticed on physical verification and the small discrepancies, if any, have been properly dealt with in the books of account;
- iii) The Company has granted loans to Companies covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act').
  - a) In our opinion and according to the information and explanations given to us and as represented by the Company, in respect of loans granted by the Company, there are no such agreements /arrangements having the terms and conditions for grant of such loans and therefore, we are unable to report whether the terms and conditions of loans given are prejudicial to the interest of the company;
  - b) In our opinion and according to the information and explanations given to us and as represented by the Company, there are no such agreements / arrangements stipulating the schedule of repayment of principal and interest payment and therefore, we are unable to report on the regularity of repayment of principal and payment of interest;
  - c) In our opinion and according to the information and explanations given to us and as represented by the Company, there are no such agreements / arrangements stipulating the due dates for re-payment of principal and interest payment and therefore, we are unable to report the total amount of overdue for more than ninety days and no steps have been taken for recovery of the principal or interest.
- iv) in our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable;
- v) the Company has not accepted deposits from public during the year and does not have any unclaimed deposits as at March 31, 2018 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company;
- vi) the maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, 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 made and 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) In respect of statutory dues;
  - a. According to the information and explanations given to us and on the basis of records of the Company examined by us, the Company is not regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Income Tax, Service Tax, Sales Tax, Value Added Tax, Duty of Customs, Duty of Excise, Cess and other statutory dues as applicable to the company. As explained to us, the Employees State Insurance provisions are not applicable to the company.

According to the information and explanations given to us, the following arrears of undisputed statutory dues are outstanding as at 31st March, 2018 for a period of more than six months from the date they became payable and the due dates for payment of sales tax dues for July and August, 2012 considered as per the installments granted by the Department.

**Statement of arrears of statutory dues outstanding as at 31<sup>st</sup> March, 2018 for more than six months:**

Sl. No.	Name of the Statute	Nature of dues	Amount (Rs. Lakhs)	Period to which the Amount relates (Upto June 2017)
1	A.P.VAT Act, 2005	Value Added Tax and Interest	864.96 31.21	July 2012 to June 2017 2011-12 and 2012-13.
2	Telangana VAT Act, 2005	Value Added Tax	88.08	upto June 2017
3	CST Act, 1956	Central Sales Tax	11.51 7.22 24.93 4.15 0.11 19.49 10.28	2008-09 2009-10 2010-11 2011-12 2014-15 2016-17 2017-18
4	Profession Tax Act	Profession Tax Collections	1.04	October 2000 to August 2005
5	Income Tax Act, 1961	I.T.D.S from Interest	82.18	2004-05 to 2005-06, 2013-14, Apr. 2015 to Aug 2017
6	Income Tax Act, 1961	I.T.D.S from Professional	20.90	2015-16, Apr 2017 to Aug 2017
		I.T.D.S from Commission	0.60	April 2017 to Aug 2017
7	Income Tax Act, 1961	I.T.D.S from Contractors	44.09 45.56	2004-05 & Apr 2013 to August 2017 Apr' 16 to Aug' 17
8	Income Tax Act, 1961	T.C.S. on Royalty	45.56	July 2010 to August 2017
9	Income Tax Act, 1961	Income Tax	11.22 0.83 227.18 55.71	2008-09 2010-11 2012-13 2015-16
10	E.P.F Act, 1952	P.F. Recoveries and contributions P.F.Penal damages	269.81 83.70	April 2005 to August 2017 Upto 2005.
11	The Central Excise Act 1944	Excise Duty & Cess	2076.20	August 2015 to June 2017
12	The Finance Act-1994	Service Tax & Cess	391.58	upto June 2017
13	Panchayat Tax Act	Property Tax	4.56	2004-2005
14	Mines and Minerals Act	Royalty on Limestone	1130.62	Upto August 2017
15	Mines and Minerals Act	DME/NME	44.99	Upto Aug 2017
16	Mines and Minerals Act	Cess on Royalty	73.86	Upto August 2017
17	Mines and Minerals Act	Welfare Cess on Limestone	7.90	Upto March 2016.
18	Revenue Act	Non Agriculture Land Tax and dead Rent/Cess	2.92	1999-2000

**PANYAM CEMENTS & MINERAL INDUSTRIES LIMITED**

**Statement of arrears of statutory dues outstanding as at 31<sup>st</sup> March, 2018 for more than six months:**

**(b) According to the information and explanations given to us, the following are the statutory dues which have not been deposited on account of dispute:**

Sl. No.	Name of the Statute	Nature of dues	Amount (Rs. Lakhs)	Period to which the amount relates	Forum where dispute is pending
1	TNGST Act, 1956	Tamilnadu Sales Tax	5.56	1994-95	Remanded to Assessing Officer by the Appellate Tribunal
2	The Central Excise Act, 1944	CENVAT credits availed on D.G.Sets disallowed by the Dept	232.35	Feb.97 to June 1999	Commissioner (Appeals) Tirupathi
3	-do-	CENVAT credit availed on refractory bricks	4.37	1994-95	A.P. High Court
4	-do-	CENVAT credit availed on HR Coils Plates disallowed by the Dept	56.80	2011-12	Appeal in CESTAT Hyderabad
5	-do-	CENVAT credit availed on service tax paid on outward freight	24.52	Dec. 06 to Aug.07	Commissioner, Tirupathi
6	-do-	CENVAT credit availed on service tax paid on outward freight	28.54	Sep. 07 to Feb. 08	Commissioner, Tirupathi
7	-do-	CENVAT credit availed on service tax paid on outward freight	12.88	April 2009 to Oct. 2009	Commissioner, Tirupathi
8	The Central Excise Act, 1944	Duty on captive consumption	1.46	2007-08	Appeal in CESTAT Hyderabad
9	-do-	Duty on captive consumption	0.87	2008-09	Appeal in CESTAT Hyderabad
10	-do-	Differential Duty on D.G.Set	10.24	2004-05	A.P.High Court
11	-do-	Differential duty on supplies made to direct parties	129.14	April 2015 to Sept 2015	Commissioner, Tirupathi
12	-do-	Differential duty on supplies made to direct parties	205.08	Oct 2015 to Mar 2016	Commissioner, Tirupathi
13	-do-	Differential duty on high seas imported coal	34.32	Aug. 2012	Addnl. Commissioner Guntur
14	-do-	CENVAT on Service Tax on outward GTA	35.18	Nov. 2009 to Dec. 2010	Addnl. Commissioner, Tirupathi



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Sl. No.	Name of the Statute	Nature of dues	Amount (Rs. Lakhs)	Period to which the amount relates	Forum where dispute is pending
15	-do-	Differential Duty on Supplies made to Direct parties	95.50	Nov. 2011 to Dec 2013	Commissioner, Tirupati
16	-do-	Differential Duty on Supplies made to Direct parties	46.85	Aug 2014 to Mar 2015	Commissioner, Tirupati
17	-do-	Default in payment of Central Excise Duty	413.38	2006-07	Appeal in CESTAT, Hyderabad
18	Income Tax Act, 1961	Capital Gains Tax on Land Development Agreements	Nil	2005-06	Appeal disposed off in favour of the company.
19	Income Tax Act, 1961	MAT on Book Profit of Sick company	979.77	2007-08	ITAT, Hyderabad
20	Income Tax Act, 1961	Capital Gain Tax on Land Development Agreements	1768.67	2012-13	ITAT, Hyderabad
			4702.73	2008-09	CIT Appeals, Kurnool
	Income Tax Act, 1961	Disallowance of Interest on Loans	174.89	2009-10	CIT Appeals, Kurnool
21	AP VAT Act, 2005	Penalty for delay in Payment of Tax before Due dates	198.25	2011-12 to 2015-16	Request for waiver before the Govt. of A.P.
22	Mines & Minerals Act	Penal Interest on Royalty dues	1848.86	May 2006 to March 2018	Revision application for waiver before the Dept/ Ministry of Mines
23	The Electricity Act, 2003	Fuel Surcharge Adjustment (FSA) Charges	30.08	2008-09	Supreme Court of India
			23.48	Apr 2009 to June 2009	High Court of A.P. Hyderabad
		Voltage Surcharge	30.64	Sept.1983 to Nov.1984	High Court of A.P. Hyderabad

**PANYAM CEMENTS & MINERAL INDUSTRIES LIMITED**

viii) In our opinion and according to the information and explanations given to us, the Company has defaulted in repayment of loans or borrowings to Financial Institutions and to debenture holders as at 31<sup>st</sup> March, 2018. During the year the Company has delayed the repayment of dues to IIFL & IKF Finance Limited

(Rupees in Lakhs)

S.No.	Name of the Bank / Financial Institutions & Others	Amount of default as at 31.03.2018			Paid in Subsequent year	Period of Default
		Principal	Interest	Total		
1.	India Infoline Finance Ltd (IIFL)	18.22	3.16	21.38	21.38	February 18 & March 2018
2.	IKF Finance Limited	0.22	3.89	4.11	4.11	February 18 & March 2018
<b>TOTAL</b>		18.44	7.05	25.49	25.49	

During the year the company has delayed the payments of Interest dues to EW India Special Assets Fund Pte Limited and E-Cap Equities Limited toward NCD's

(Rupees in Lakhs)

S.No.	Name of the Bank / Financial Institutions & Others	Amount of default as at 31.03.2018		Paid in Subsequent year	Period of Default
		Principal	Interest		
1.	EW India Special Assets Fund PTE Ltd	Nil	824.50	Nil	Oct 2017 to March 2018
2.	E-Cap Equities Pvt.Ltd	Nil	201.92	Nil	Nov 2017 to March 2018
<b>TOTAL</b>			1026.42		

- (ix) In our opinion and according to the information and explanations given to us, the term loans received during the year were applied for the purposes for which the loans were raised and the company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3 (xii) of the CARO, 2016 is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us and based on our examination to the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements, as required by the applicable Accounting Standards.
- (xiv) In our opinion and according to the information and explanations 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 partly convertible debentures during the year under review. However, the company has made preferential issue/ allotment of share warrants and issue/ allotment of Secured, Rated, Listed, Non-Convertible, Redeemable Debentures during the year under review. The requirements of Section 42 of the Companies Act, 2013 have been complied with and the amounts raised have been used for the purposes for which the funds were raised.
- (xv) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3 (xv) of the CARO, 2016 is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**for K.S. RAO & Co.,**  
Chartered Accountants  
Firm's Regn.No.0031095

**(CA. P. GOVARDHANA REDDY)**

Place: Nandyal  
Date: 04<sup>th</sup> June, 2018.

Partner  
M.No. 029193

Balance sheet as at 31st March, 2018		(Rupees in Lakhs)		
Particulars	Note No.	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, Plant and Equipment	3	8,073.76	8,632.70	6,833.99
Capital work-in-progress	3	2,393.54	1,919.45	2,423.65
Financial assets				
- Investments	4(a)	3,209.24	3,138.45	2.54
- Loans	4(b)	5,670.69	6,276.78	5,780.94
- Other financial assets	4(c)	586.53	40.20	10.92
Other non-current assets	5	1,684.05	1,284.83	276.67
<b>Total Non-current assets</b>		<b>21,617.81</b>	<b>21,292.41</b>	<b>15,328.71</b>
<b>Current assets</b>				
Inventories	6	1,748.77	2,476.10	2,013.81
Financial assets				
- Trade receivables	7(a)	2,722.86	2,554.96	1,965.73
- Cash and cash equivalents	7(b)	39.31	57.78	431.37
- Bank balances other than Cash and cash equivalents	7(c)	34.23	133.61	223.60
- Loans	7(d)	2,307.47	2,702.71	4,025.01
- Other financial assets	7(e)	218.06	174.74	166.40
Other current assets	8	445.55	681.28	457.56
Current tax asset (Net)	9	30.87	-	-
<b>Total Current assets</b>		<b>7,547.12</b>	<b>8,781.18</b>	<b>9,283.48</b>
<b>TOTAL ASSETS</b>		<b>29,164.93</b>	<b>30,073.59</b>	<b>24,612.20</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share capital	10(a)	1,686.42	1,602.11	1,602.11
Other equity	10(b)	(3,053.25)	104.03	1,465.42
<b>Total Equity</b>		<b>(1,366.83)</b>	<b>1,706.14</b>	<b>3,067.53</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
- Borrowings	11(a)	8,219.81	9,751.29	3,283.97
- Other financial liabilities	11(b)	2,085.37	1,326.03	505.07
Deferred tax liabilities (Net)	12	-	-	-
Other non-current liabilities	13	191.86	222.00	247.00
<b>Total Non-current liabilities</b>		<b>10,497.04</b>	<b>11,299.32</b>	<b>4,036.04</b>
<b>Current liabilities</b>				
Financial liabilities				
- Borrowings	14(a)	2,444.69	2,421.06	2,995.08
- Trade payables	14(b)	2,445.95	2,527.03	2,582.21
- Other financial liabilities	14(c)	7,324.09	4,283.18	4,036.51
Other current liabilities	15	7,819.99	7,643.62	7,830.70
Current tax liability (Net)	9	-	193.25	64.13
<b>Total Current liabilities</b>		<b>20,034.72</b>	<b>17,068.13</b>	<b>17,508.63</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>29,164.93</b>	<b>30,073.59</b>	<b>24,612.20</b>
General information	1			
Summary of significant accounting policies	2			
See accompanying notes forming part of financial statements				
As per our attached report of even date		For and on behalf of the Board		
<b>for K S Rao &amp; Co</b>		M/s. Panyam Cements & Mineral Industries Limited		
Chartered Accountants				
Firm's Regn No.003109S		<b>V. SURESH KUMAR</b>	<b>S. SREEDHAR REDDY</b>	
<b>(CA P. GOVARDHANA REDDY)</b>		Director	Managing Director	
Partner				
Membership No. 029193				
Place: Nandyal		<b>S. NAGESWARA REDDY</b>		
Date: 04th June, 2018		Chief Financial Officer		

PANYAM CEMENTS & MINERAL INDUSTRIES LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018				Rupees in Lakhs	
	Particulars	Note No.	Current Year	Previous Year	
<b>I</b>	<b>Revenue from operations</b>	16	17,454.86	24,053.16	
<b>II</b>	<b>Other income</b>	17	1,583.33	1,411.53	
<b>III</b>	<b>Total revenue (I+II)</b>		<b>19,038.19</b>	<b>25,464.69</b>	
<b>IV</b>	<b>Expenses</b>				
	a) Cost of materials consumed	18	4,732.04	5,020.35	
	b) Purchase of stock-in-trade		-	-	
	c) Changes in inventories of finished goods, work in progress and stock-in-trade	19	371.01	(26.81)	
	d) Excise duty on sale of goods		848.30	3,245.13	
	e) Employee benefit expense	20	1,483.22	1,354.07	
	f) Finance Cost	21	3,389.69	2,377.21	
	g) Depreciation and amortisation expense	3	936.28	701.51	
	h) Power and fuel		6,561.41	7,436.37	
	i) Other expenses	22	3,886.24	5,287.44	
	<b>Total expenses (IV)</b>		<b>22,208.19</b>	<b>25,395.27</b>	
<b>V</b>	<b>Profit/ (loss) before exceptional items and tax (III-IV)</b>		<b>(3,170.00)</b>	<b>69.42</b>	
<b>VI</b>	<b>Exceptional items</b>	23	26.24	23.29	
<b>VII</b>	<b>Profit/ (loss) before tax expenses (V+VI)</b>		<b>(3,143.76)</b>	<b>92.71</b>	
	<b>Tax expenses:</b>	24			
	Current tax		-	125.00	
	Deferred tax		-	-	
	Earlier years income tax		-	-	
<b>VIII</b>	<b>Total Tax expenses</b>		-	<b>125.00</b>	
<b>X</b>	<b>Profit/ (loss) for the period (VII-VIII)</b>		<b>(3,143.76)</b>	<b>(32.29)</b>	
<b>XI</b>	<b>Other comprehensive income</b>	25			
	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)		70.79	(1,864.09)	
<b>XII</b>	<b>Total comprehensive income for the period (X+XI)</b>		<b>(3,072.97)</b>	<b>(1,896.38)</b>	
	<b>Earnings Per Equity Share(Face Value Rs.10 each)</b>	26			
	Basic		(18.65)	(0.20)	
	Diluted		(18.65)	(0.19)	

General information 1  
Summary of significant accounting policies 2  
See accompanying notes forming part of financial statements

As per our attached report of even date  
**for K S Rao & Co**  
Chartered Accountants  
Firm's Regn No.003109S  
**(CA P. GOVARDHANA REDDY)**  
Partner  
Membership No. 029193  
Place: Nandyal  
Date: 04th June, 2018

For and on behalf of the Board  
M/s. Panyam Cements & Mineral Industries Limited

**V. SURESH KUMAR**  
Director

**S. SREEDHAR REDDY**  
Managing Director

**S. NAGESWARA REDDY**  
Chief Financial Officer

<b>CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018</b>		<b>Rupees in Lakhs</b>
	<b>For the Year Ended March 31, 2018</b>	<b>For the Year Ended March 31, 2017</b>
<b>Cash flow from operating activities</b>		
Profit before tax from continuing operations	(3,143.76)	92.71
<b>Profit before exceptional items and tax</b>	<b>(3,143.76)</b>	<b>92.71</b>
<i>Non-cash adjustment to reconcile profit before tax to net cash flows</i>		
Depreciation and amortisation expenses	936.28	701.51
Interest income	(1,409.17)	(1,241.57)
Allowance for expected credit loss on trade receivables	20.42	-
Dividend income on investments made	(0.12)	(0.00)
Interest expenses	2,449.83	1,797.39
Interest expense due to amortisation of processing fees	44.87	(123.49)
Interest expense due to amortisation of NCDs	894.99	579.82
<b>Operating profit before working capital changes</b>	<b>(206.67)</b>	<b>1,806.37</b>
<b>Working capital adjustments:</b>		
(Decrease) / Increase in trade payables	(81.08)	(55.17)
(Decrease) / Increase in other current liabilities	176.37	(187.08)
(Decrease) / Increase in other non-current liabilities	(30.14)	(25.00)
(Increase) / Decrease in trade receivables	(188.32)	(589.23)
(Increase) / Decrease in inventories	727.33	(462.29)
(Increase) / Decrease in financial assets	562.77	(37.61)
(Decrease) / Increase in financial liabilities	2,905.27	278.75
(Increase) / Decrease in other current assets	235.73	(223.72)
(Increase) / Decrease in other non-current assets	(399.22)	(1,008.16)
<b>Cash generated from operating activities</b>	<b>3,702.04</b>	<b>(503.15)</b>
Direct taxes paid (net)	(224.11)	4.11
<b>Net cash flow from operating activities (A)</b>	<b>3,477.92</b>	<b>(499.03)</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets, including CWIP	(851.42)	(1,789.16)
Purchase of investment	-	(5,000.00)
Dividend received	0.12	0.00
Deposits/margin money deposit matured/(placed) during the year	99.37	89.99
<b>Net cash flow from/ (used in) investing activities (B)</b>	<b>(751.93)</b>	<b>(6,699.17)</b>
<b>Cash flows from financing activities</b>		
Proceeds from equity	-	534.98
Interest paid	(2,449.83)	(1,797.39)
Interest received	1,409.17	1,241.57
(Repayment)/Proceeds of long term borrowings	(1,576.35)	6,593.02
(Repayment)/Proceeds from short term borrowings	23.63	(574.02)
Loans and advances taken/paid from/to related parties	(151.09)	826.46
<b>Net cash flow from/ (used in) in financing activities (C)</b>	<b>(2,744.47)</b>	<b>6,824.62</b>
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>(18.48)</b>	<b>(373.58)</b>
Cash and cash equivalents at the beginning of the year	57.78	431.37
Cash and cash equivalents at the end of the year	39.31	57.78
<b>Components of cash and cash equivalents</b>		
Cash on hand	39.31	57.78
<b>Total cash and cash equivalents (Note 8(b))</b>	<b>39.31</b>	<b>57.78</b>

**Note:**  
The Cash Flow Statement has been prepared under the 'Indirect Method' set out in Ind AS -7 "Statement of Cash Flows"  
Previous Year's figures have been regrouped / rearranged to conform to the current years presentation, wherever necessary.

As per our attached report of even date  
**for K S Rao & Co**  
Chartered Accountants  
Firm's Regn No.003109S  
**(CA P. GOVARDHANA REDDY)**  
Partner  
Membership No. 029193  
Place: Nandyal  
Date: 04th June, 2018

For and on behalf of the Board  
M/s. Panyam Cements & Mineral Industries Limited

**V. SURESH KUMAR**  
Director

**S. SREEDHAR REDDY**  
Managing Director

**S. NAGESWARA REDDY**  
Chief Financial Officer

**PANYAM CEMENTS & MINERAL INDUSTRIES LIMITED**

**Statement of changes in Equity for the year ended March 31, 2018**

**(Rupees in Lakhs)**

<b>a. Equity share capital</b>	<b>Note</b>	<b>Amount</b>
<b>As at 1st April, 2016</b>		1,602.11
Changes in equity share capital during the year	10(a)	-
<b>As at 31st March, 2017</b>		1,602.11
Changes in equity share capital during the year	10(a)	84.31
<b>As at 31st March, 2018</b>		1,686.42

<b>b. Other Equity</b>		<b>Reserves and Surplus</b>			<b>Items of Other Comprehensive income</b>	<b>Money received against share warrants</b>	<b>Total other equity</b>
<b>Particulars</b>	<b>Note</b>	<b>Securities premium reserve</b>	<b>Capital redemption reserve</b>	<b>Retained earnings</b>	<b>FVOCI - equity instruments</b>		
<b>Balance at 1st April, 2016</b>	<b>10 (b)</b>	<b>941.56</b>	<b>74.19</b>	<b>269.65</b>	<b>1.69</b>	<b>178.33</b>	<b>1,465.42</b>
<b>Changes in equity for the period ended 31st, March 2017</b>							
Exercise of share warrants	10 (b) (i)	-	-	-	-	-	-
Equity instruments through other comprehensive income	10 (b) (iv)				(1,864.09)		(1864.09)
Profit for the year	10 (b) (iii)			(32.29)			(32.29)
Money received against share warrants						534.98	534.98
<b>Balance at 31st March, 2017</b>		<b>941.56</b>	<b>74.19</b>	<b>237.36</b>	<b>(1,862.40)</b>	<b>713.31</b>	<b>104.03</b>
<b>Changes in equity for the period ended 31st, March 2018</b>							
Exercise of share warrants	10 (b) (i)	629.01	-	-	-	(713.31)	(84.31)
Equity instruments through other comprehensive income	10 (b) (iv)				70.79		70.79
Profit for the year	10 (b) (iii)			(3,143.76)			(3,143.76)
<b>Balance at 31st March, 2018</b>		<b>1,570.57</b>	<b>74.19</b>	<b>(2,906.40)</b>	<b>(1,791.61)</b>	<b>-</b>	<b>(3,053.25)</b>

As per our attached report of even date  
**for K S Rao & Co**  
 Chartered Accountants  
 Firm's Regn No.003109S

For and on behalf of the Board  
 M/s. Panyam Cements & Mineral Industries Limited

**(CA P. GOVARDHANA REDDY)**  
 Partner  
 Membership No. 029193

**V. SURESH KUMAR**  
 Director

**S. SREEDHAR REDDY**  
 Managing Director

**S. NAGESWARA REDDY**  
 Chief Financial Officer

Place: Nandyal  
 Date: 04th June, 2018

**Notes to financial statements for the year ended 31st March 2018****Note 1: General Information**

The Panyam Cements & Minerals Industries Limited (“the company”) a public limited company incorporated and domiciled in India and has its registered office at Nandyal, Kurnool district, Andhra Pradesh. The securities of the company were listed in Bombay Stock Exchange of India Limited.

The Company is engaged in the business of manufacture and sale of cement. The financial statements for the year ended March 31, 2018 were approved by the Board of Directors for issue on 04th June, 2018.

**Note 2: Significant Accounting Policies****A. Statement of Compliance**

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and Companies (Indian Accounting Standards) Amendment Rules, 2017.

Upto the year ended March 31, 2017 the Company prepared its financial statements in accordance with the requirements of the Standards notified under the Companies (Accounting Standards) Rules, 2014. These are the Company’s first Ind AS adopted financial statements. The date of transition to Ind AS is April 1, 2016. Refer Note 36 for the details of first-time adoption exemptions availed by the Company. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Company has presented a reconciliation in Note 36 from the presentation of financial statements under earlier Accounting Standards notified under the Companies (Accounting Standards) amendment Rules, 2016 and the Companies (Accounting Standards) amendment Rules, 2017 (“Previous GAAP”) to Ind AS of Shareholders’ equity as at March 31, 2017 and April 1, 2016 and of the comprehensive net income for the year ended March 31, 2017 and April 1, 2016.

**B. Basis of preparation and presentation of financial statements**

The financial statements have been prepared in accordance with the Indian Generally Accepted Accounting Principles on accrual basis of accounting and the historical cost convention basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

**C. Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- \* Expected to be realised or intended to be sold or consumed in normal operating cycle
- \* Held primarily for the purpose of trading
- \* Expected to be realised within twelve months after the reporting period, or
- \* Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- \* It is expected to be settled in normal operating cycle
- \* It is held primarily for the purpose of trading
- \* It is due to be settled within twelve months after the reporting period, or
- \* There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

**D. Use of estimates and judgements**

The preparation of the financial statements requires that the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates.

## PANYAM CEMENTS & MINERAL INDUSTRIES LIMITED

The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Actual results could differ from those estimates.

Any revision to accounting estimates is recognised prospectively in current and future periods. The critical accounting judgements and key estimates followed by the Company for preparation of financial statements is described in Note 2(R).

### **E. Property, Plant and Equipment**

Freehold Land is carried at historical cost. Other property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under Other Non-Current Assets and the cost of the assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and considered that carrying value as its deemed cost as of the transition date.

### **F. Depreciation and amortisation**

The Company depreciates property, plant and equipment over their estimated useful lives as specified in Schedule II to the Companies act, 2013 using the straight-line method in respect of plant and machinery and buildings and in respect of other assets on written down value method. Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The useful life as prescribed under Schedule II of the Companies Act have been followed except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

- \* Buildings-Factory - 28 years adopted as against 30 years prescribed
- \* Buildings-Residential & Non-Factory- 58 years adopted as against 60 years prescribed
- \* Buildings-Others(temporary) - 2 years adopted as against 3 years prescribed
- \* Continuous process plants (i.e. 18 years adopted as against 25 years prescribed) and
- \* Thermal Power Plant - 20 years adopted as against 40 years prescribed
- \* Plant and Machinery-others - 18 years adopted as against 40 years prescribed
- \* Ropeways - 9 years adopted as against 15 years prescribed.

### **G. Impairment of Tangible Assets**

Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit to which the asset belongs. If such assets are considered to be impaired, the impairment is recognized in the Statement of Profit and Loss and is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.



## H. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### • Financial assets

#### Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

#### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in two categories:

- \* Financial assets at amortised cost
- \* Equity instruments at fair value through other comprehensive income (FVTOCI)

#### Financial assets at amortised cost

A 'Financial asset' is measured at the amortised cost if both the following conditions are met:

- a. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. A mortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade receivables. For more information on receivables, refer to Note 8.

#### Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by - instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

#### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

The rights to receive cash flows from the asset have expired, or

The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either

- (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

#### Impairment of Financial assets

The Company recognizes loss allowances using the Expected Credit Loss (ECL) model for the financial assets which are not fair valued through profit or loss.

The Company follows "Simplified approach" for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

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For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in profit or loss.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L.

### • **Financial liabilities**

#### **Initial recognition and measurement**

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

#### **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

#### **Loans and borrowings**

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

#### **Derecognised**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

### **I. Investment in associates**

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

Such investments in which the Company has no significant influence are accounted under Ind AS 109 at fair value and the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

### **J. Inventories**

Inventories are stated at the lower of cost and net realisable value after providing for obsolescence. Costs of inventories are determined on weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and Costs necessary to make the sale. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition.

**K. Cash and Cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

**L. Income Taxes**

Income tax expense represents the sum of the tax currently payable and deferred tax.

- **Current Tax:**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'Profit Before Tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

- **Deferred tax:**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

- **Current and Deferred Tax for the Year:**

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity respectively.

**M. Provisions, Contingent liabilities and Commitments**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

Contingent liability is disclosed in the case of;

- A present obligation arising from past events, when it is not probable that an outflow of resources will not be required to settle the obligation.
- A present obligation arising from past events, when no reliable estimate is possible
- A possible obligation arising from past events, unless the probability of outflow of resources is remote

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting period.

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### **Contingent asset**

Wherever there is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent asset is disclosed when the inflow of economic benefit is probable.

### **N. Revenue Recognition**

#### **I. Sale of Goods:**

Revenue from the sale of Goods is recognised when the goods are delivered and titles have been passed, at which time all the following conditions are satisfied:

- (i) the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- (ii) the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- (iii) the amount of revenue can be measured reliably;
- (iv) it is probable that the economic benefits associated with the transaction will flow to the Company; and
- (v) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Sales are net of discounts, sales tax and value added tax but includes handling charges and packing charges. The Sales figure is grossed up to include Excise duty collected on sales.

#### **II. Dividend and interest income:**

Dividend income from investments is recognised when the shareholder's right to receive the payment has been established. Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable.

#### **III. Other Operating Income and Other Income:**

Revenue with respect to Other Operating Income and Other Income including incentives are recognised when a reasonable certainty as to its realisation exists.

### **O. Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in statement of profit or loss in the period in which they are incurred.

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### **P. Employee Benefits**

#### **Short term Employee Benefits:**

All employee benefits payable wholly within twelve months of rendering the services are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of Bonus, Ex-gratia, Leave Travel Allowance, Reimbursement of Medical Expenses, Personal Accident Policy, Deposit Linked Insurance Policy are recognised in the period in which the employee renders the related services.

#### **Post-Employment Benefits:**

##### **(i) Defined Contribution Plan:**

The Company's contribution paid / payable during the year to Provident Fund are considered as defined contribution plans.

The Contribution paid / payable under these plans are recognised in the Statement of Profit and Loss during the period in which the employee renders the services.

##### **(ii) Defined Benefit Plans:**

Gratuity/superannuation and leave encasement benefits payable on retirement/resignation of employees is recognised on retirement/payment basis.

**Q. Earnings per share**

Basic earnings per share are computed by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The Company did not have any potentially dilutive securities in any of the period presented.

**R. Estimates and assumptions**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**Useful lives and residual value of property, plant and equipment:**

The Company reviews the useful life and residual value of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

**Allowance for expected credit losses:**

Note 2(H) describes the use of practical expedient by computing the expected credit loss allowance for trade receivables based on provision matrix. The expected credit allowance is based on the aging of the days receivables which are past due and the rates derived based on past history of defaults in the provision matrix.

**Fair value of investments:**

The Company has invested in the equity instruments of various companies. However, the percentage of shareholding of the Company in such investee companies is very low and hence, it has not been provided with future projections including projected profit and loss account by those investee companies. Hence, the valuation exercise carried out by the Company with the help of available historical annual reports and other information in the public domain.

**Taxes:**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**Contingent liability judgement:**

Note 27 describes claims against the Company not acknowledged as debt. Contingencies may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum of contingencies inherently involve the exercise of significant judgement and the use of estimates regarding the outcome of future events.

**S. Recent accounting pronouncements**

**Standards issued but not yet effective:**

In convergence with IFRS, the Ministry of Corporate Affairs(MCA) issued Ind AS 115, Revenue from Contracts with Customers on 28 March 2018.

Revenue from Contracts with Customers('Ind AS 115'). Ind AS 115 is effective from accounting period beginning on or after 1 April, 2018 and

- Replaces Ind AS 18, Revenue and Ind AS 11, Construction Contracts
- Establishes a new control-based revenue recognition model
- Provides more guidance for deciding whether revenue is recognised at a point in time or over time
- Provides new and more detailed guidance on specific topics such as multiple element arrangements, variable consideration, rights of return, warranties, principal versus agent considerations, consignment arrangements, bill and hold arrangements and licensing
- Expands and improves disclosures about revenue.

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**Ind AS 115 at a glance**

Who is affected?	<ul style="list-style-type: none"> <li>• All entities that enter into contracts with customers with few exceptions</li> </ul>
What is the impact?	<ul style="list-style-type: none"> <li>• The new revenue recognition standard requires management to use judgment to (1) determine whether contracts with one customer (or related parties) should be combined and treated as a single contract, (2) identify the performance obligations in a contract (i.e., the unit of account), and (3) determine the transaction price.</li> <li>• Variable consideration that may be created by sales incentives, such as volume discounts or customer rebates, will need to be estimated and may be constrained.</li> <li>• Revenue from contracts for customised parts that an entity creates by providing a “service” to a customer (i.e., the parts have no alternative use to the entity and the entity has a right to payment for performance to date) will need to be recognised over time as the parts are constructed.</li> <li>• An entity will need to determine whether contract costs should be capitalised and amortised as goods and services are transferred to the customer or whether such costs should be expensed as incurred.</li> </ul>

Entities are required to apply the new revenue standard either:

- Retrospectively to each prior period presented in accordance with Ind AS 8, subject to some practical expedients mentioned in the standard or
- Retrospectively with the cumulative effect of initial application recognised at the date of initial application.

An entity that chooses to restate only the current period is required to provide the following additional disclosures in the initial year of adoption:

- By financial statement line item, the current year impact of applying the new revenue standard
- an explanation of the reasons behind the significant impacts.

The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On March 28, 2018, the Ministry of Corporate Affairs (‘the MCA’) notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

**Notes to financial statements for the year ended 31st March, 2018**  
**Note No. 3 Property, Plant & Equipment**

S. No.	Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK				
		As at 1st April 2016	Additions during 2016-17	As at 31st March 2018	As at 1st April 2016	For the year 2016-17	For the year 2017-18	As at 31st March 2018	As at 31st March 2017	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
1	Freehold Land	4.18	-	4.18	-	-	-	4.18	-	4.18	4.18	4.18
2	Buildings - Factory	533.84	37.20	629.95	316.12	22.39	24.28	362.80	338.51	267.16	232.53	217.72
3	Buildings-residential & Non Factory	130.73	-	130.73	110.26	1.02	0.97	112.25	111.28	18.48	19.45	20.48
4	Buildings-others (temporary)	7.52	-	7.52	7.52	-	-	7.52	7.52	-	-	-
5	Roads, culverts and Bridges	35.74	-	35.74	19.94	4.58	2.91	27.43	24.52	8.31	11.22	15.80
6	Wells and Water Works	54.51	-	54.51	51.82	-	-	51.82	51.82	2.69	2.69	2.69
7	Plant and Machinery-Continuous Process	9,701.37	240.88	10,038.18	4,141.80	310.89	301.46	4,754.15	4,452.69	5,284.03	5,489.56	5,559.57
8	Plant and Machinery-Power Generation	340.69	-	340.69	313.18	12.63	-	325.81	325.81	14.89	14.89	27.52
9	Plant and Machinery-Others	131.32	0.62	131.94	74.23	11.11	8.96	94.30	85.34	37.64	46.60	57.09
10	Plant and Machinery-Electrical Equipments	233.33	-	233.33	225.25	-	-	225.25	225.25	8.08	8.08	8.08
11	Plant and Machinery-Others	2.54	-	2.54	1.15	0.21	0.18	1.55	1.37	0.99	1.17	1.39
12	Plant and Machinery-Others	876.62	47.83	1,022.86	196.57	167.24	123.11	486.92	363.81	535.94	560.64	680.05
13	Electrical Installation	64.53	-	64.53	64.12	-	-	64.12	64.12	0.41	0.41	0.41
14	Telephone Installations	5.53	-	5.53	4.81	0.16	0.12	5.09	4.97	0.43	0.56	0.71
15	Railway Siding and Weigh Bridge	13.89	1,657.19	1,742.56	1,671.08	11.60	75.44	289.97	377.02	1,365.54	1,584.04	2.29
16	Ropeway	136.07	-	136.07	96.61	11.79	8.25	116.64	108.39	19.42	27.67	39.46
17	Quarry Equipment	1,611.90	513.50	2,125.40	1,489.66	62.06	157.90	1,709.62	1,551.72	415.78	573.68	122.25
18	Workshop Equipment	6.58	-	6.58	6.49	-	-	6.49	6.49	0.08	0.08	0.08
19	Laboratory Equipment	7.30	-	7.30	6.35	0.34	2.86	9.54	6.69	39.54	0.61	0.94
20	Mining Lease and Mineral Prospect	2.18	-	2.18	2.16	-	-	2.16	2.16	0.02	0.02	0.02
21	Computers	87.20	3.01	90.66	83.16	1.19	1.81	86.16	84.35	4.50	5.86	4.04
22	Office Equipments	59.08	-	59.08	57.02	0.27	0.10	57.40	57.29	1.68	1.78	2.06
23	Servers & Networks	50.49	-	50.49	47.97	-	-	47.97	47.97	2.52	2.52	2.52
24	Furniture & Fixtures	51.72	-	53.98	51.72	1.55	0.97	49.76	48.79	4.22	2.93	4.48
25	Library	0.49	-	0.49	0.48	-	-	0.48	0.48	0.01	0.01	0.01
26	Vehicles	538.92	-	547.03	478.75	18.63	12.42	509.81	497.38	37.22	41.54	60.17
	<b>Grand Total</b>	14,688.26	2,500.23	17,565.83	7,854.27	701.51	936.28	9,492.06	8,555.79	8,073.77	8,632.71	6,833.99
	<b>CWIP</b>	<b>2,423.65</b>		<b>2,393.54</b>		<b>1,919.45</b>						

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Notes to financial statements for the year ended 31st March, 2018

Note : 4 (a) Financial assets

Non-current Investments

(Rupees in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>Investment in equity instruments at fair value through other comprehensive income (fully paid)</b>			
<b>Quoted</b>			
8,100 (31st March, 2017:8,100 1st April, 2016:8,100) equity shares of Vijaya Bank Ltd.	6.74	6.40	2.54
10,000 Units of Rs.10/- each fully paid up of BOB Mutual Fund (31st March, 2017:10,000 1st April, 2016:10,000)	-	-	1.00
900 Equity Shares of Gujarat State Finance Corporation of Rs.10/- each (31st March, 2017:900 1st April, 2016:900)	-	-	0.18
1,000 Redeemable 13% Preference Shares of Rs.10/- each in Ceat Finance (31st March, 2017:1,000 1st April, 2016:1,000)	-	-	0.10
Principal Focussed Advantage Fund, Mumbai 10,000 units of Rs.10/- each (31st March, 2017:10,000 1st April, 2016:10,000)	-	-	1.00
<b>Unquoted</b>			
1,25,00,000 (31st March, 2017:1,25,00,000 1st April, 2016: NIL) equity shares of of M/s S.P.Y. Agro Industries Ltd	3,202.50	3,132.05	-
Panyam Cements Co-Operative Stores Limited, Cement Nagar	-	-	0.03
Sri. Somappa Co-Operative House Building Society Limited, Kurnool	-	-	0.01
3,50,000 Equity Shares of Rs.10/-each in Cheran Cement Limited (31st March, 2017:3,50,000 1st April, 2016:3,50,000)	-	-	35.00
<b>written off/Derecognised</b>	-	-	-37.31
<b>Total equity investments</b>	<b>3,209.24</b>	<b>3,138.45</b>	<b>2.54</b>
<b>Total non-current investments</b>	<b>3,209.24</b>	<b>3,138.45</b>	<b>2.54</b>
Aggregate amount of quoted investments and market value thereof	6.74	6.40	2.54
Aggregate amount of un-quoted investments	3,202.50	3,132.05	-
Aggregate amount of impairment in the value of investments	-	-	37.31
<b>4 (b) Loans</b>			
Inter Corporate Loans	5,670.69	6,276.78	5,780.94
<b>Total</b>	<b>5,670.69</b>	<b>6,276.78</b>	<b>5,780.94</b>
<b>4 (c) Other non-current financial assets</b>			
Security Deposits with Power Distribution Corporation Ltd	586.53	40.20	10.92
<b>Total</b>	<b>586.53</b>	<b>40.20</b>	<b>10.92</b>
<b>Note 5:</b>			
<b>Other non-current assets</b>			
Capital Advances	1,684.05	1,284.83	276.67
<b>Total</b>	<b>1,684.05</b>	<b>1,284.83</b>	<b>276.67</b>



(Rupees in Lakhs)			
Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>Note 6: Inventories</b>			
Raw Materials	42.51	72.45	37.92
Work-in-progress	212.75	465.80	461.53
Finished Goods	89.33	207.28	184.74
Stores and spares, Chemicals, fuel and packing materials	828.98	847.06	658.34
Coal and packing materials	205.05	181.22	142.51
Coal in transit	370.15	702.29	528.76
<b>Total</b>	<b>1,748.77</b>	<b>2,476.10</b>	<b>2,013.81</b>
<b>Note 7(a): Trade receivables</b>			
Unsecured and considered good*	2,722.86	1,698.66	1,138.93
Unsecured and considered doubtful	120.42	956.31	926.80
	<b>2,843.28</b>	<b>2,654.96</b>	<b>2,065.73</b>
<b>Impairment Allowance (allowance for bad and doubtful debts)</b>	(120.42)	(100.00)	(100.00)
<b>Total trade receivables</b>	<b>2,722.86</b>	<b>2,554.96</b>	<b>1,965.73</b>
*(Refer Note No. 30 for transactions with related parties)			
No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.			
No interest is charged on Trade Receivables for delay in payment beyond credit period from the due date of the Invoice.			
The Company has used a practical expedient by computing the expected credit loss allowance for Trade Receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates are given in the provision matrix. The provision matrix at the end of the Reporting Period is as follows :			
<b>Expected credit loss</b>			
<b>Ageing:</b>	<b>As at 31st March, 2018</b>		
<b>Credit period :</b>			
Current		0.25%	
Upto 60 days past due		0.50%	
61-90 days past due		1.00%	
91-180 days past due		3.00%	
more than 180 days past due		5.00%	
<b>Ageing of receivables</b>		<b>(Rupees in Lakhs)</b>	
Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>Credit period :</b>			
Current	183.88	286.68	133.66
Upto 60 days past due	88.80	172.76	99.53
61-90 days past due	113.68	101.03	32.53
91-180 days past due	223.51	405.64	171.94
more than 180 days past due	2,233.40	1,688.85	1,628.06
<b>Total trade receivables (before impairment allowance)</b>	<b>2,843.28</b>	<b>2,654.96</b>	<b>2,065.73</b>

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<b>Movement in Expected Credit Loss Allowance :</b>			
(Rupees in Lakhs)			
Particulars	As at 31st March 2018	As at 31st March 2017	
Balance at beginning of the year	100.00	100.00	
Movement in Expected Credit Loss Allowance on trade receivables calculated at lifetime expected credit losses	20.42	-	
<b>Balance at end of the year</b>	<b>120.42</b>	<b>100.00</b>	
<b>Note 7(b): Cash and cash equivalents</b>			
(Rupees in Lakhs)			
Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Balances with banks in Current Account	26.19	45.97	380.18
Cash on hand	13.12	11.81	51.19
<b>Total</b>	<b>39.31</b>	<b>57.78</b>	<b>431.37</b>
<b>Note 7(c): Bank balances other than Cash and cash equivalents</b>			
(Rupees in Lakhs)			
Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Balance with Banks in Margin Money/Fixed Deposits for LC/BG	34.23	133.61	223.60
<b>Total</b>	<b>34.23</b>	<b>133.61</b>	<b>223.60</b>
<b>Note 7(d): Loans</b>			
(Rupees in Lakhs)			
Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Inter Corporate loans	2,307.47	2,702.71	4,025.01
<b>Total</b>	<b>2,307.47</b>	<b>2,702.71</b>	<b>4,025.01</b>
<b>Note 7(e): Other current financial assets</b>			
(Rupees in Lakhs)			
Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Property of land under development	77.14	81.05	84.95
Tender/Security/Telephone Deposits	102.64	66.29	77.98
Interest Receivable	38.28	27.40	3.47
<b>Total</b>	<b>218.06</b>	<b>174.74</b>	<b>166.40</b>
<b>Note 8: Other current assets</b>			
(Rupees in Lakhs)			
Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Advance to Suppliers	51.95	161.02	161.00
Advance to Employees	18.93	16.43	2.66
Advance to Contractors & Transporters	8.14	8.14	8.14
Prepaid Insurance and other Expenses	18.79	9.11	15.29
Advance Excise Duties/CENVAT/VAT/Service tax	259.65	399.74	177.65
Other Advances	88.08	86.84	92.82
<b>Total</b>	<b>445.55</b>	<b>681.28</b>	<b>457.56</b>
<b>Note 9 : Current Tax Liability</b>			
(Rupees in Lakhs)			
Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Provision for income tax	247.00	247.00	122.00
Advance tax & TDS	277.87	53.75	57.87
<b>Closing balance</b>	<b>(30.87)</b>	<b>193.25</b>	<b>64.13</b>

**Note 10: Equity share capital and other equity****10(a) Equity share capital****(In Lakhs)**

<b>Particulars</b>	<b>As at 31st March 2018</b>	<b>As at 31st March 2017</b>	<b>As at 1st April 2016</b>
<b>(a) Authorised Share Capital :</b> 1,85,00,000 Equity Shares of Rs.10/- each (as at 31st march 2017 1,85,00,000 Equity Shares of Rs.10/- each) (as at 1st april 2016 1,85,00,000 Equity Shares of Rs.10/- each)	1,850.00	1,850.00	1,850.00
<b>(b) Issued:</b> 1,68,66,739 Equity shares of Rs.10/- each issued (as at 31st march 2017 1,60,23,679 Equity Shares of Rs.10/- each) (as at 1st april 2016 1,60,23,679 Equity Shares of Rs.10/- each)	1,686.67	1,602.37	1,602.37
<b>(c) Subscribed and fully paid</b> 1,68,61,199 Equity shares of Rs.10/- each fully paid (as at 31st march 2017 1,60,18,139 Equity Shares of Rs.10/- each) (as at 1st april 2016 1,60,18,139 Equity shares of Rs.10/- each)	1,686.12	1,601.81	1,601.81
<b>(d) Subscribed &amp; Not Fully Paid (forefeited)</b> 5,540 Equity shares of Rs.10/- each (as at 31st march 2017 5,540 Equity shares of Rs.10/- each) (as at 1st april 2016 5,540 Equity shares of Rs.10/- each)	0.30	0.30	0.30
<b>Total</b>	<b>1,686.42</b>	<b>1,602.11</b>	<b>1,602.11</b>

**Reconciliation of the number of equity shares outstanding****(In Lakhs)**

<b>Particulars</b>	<b>As at 31st March 2018</b>	<b>As at 31st March 2017</b>	<b>As at 1st April 2016</b>
At the beginning of the year	160.18	160.18	160.18
Add: Issued during the year	8.43	-	-
<b>At the end of the year</b>	<b>168.61</b>	<b>160.18</b>	<b>160.18</b>

**Terms/ rights attached to equity shares**

The company has only one class of equity shares having par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**Note 10: Equity share capital and other equity**

Details of shareholders holding more than 5% shares in the company

**(In Lakhs)**

<b>Name of the Share Holder</b>	<b>As at 31st March 2018</b>		<b>As at 31st March 2017</b>		<b>As at 1st April 2016</b>	
	<b>No. of Shares</b>	<b>% of holding</b>	<b>No. of Shares</b>	<b>% of holding</b>	<b>No. of Shares</b>	<b>% of holding</b>
S.P.Y. Reddy	17.31	10.27%	17.31	10.81%	16.81	10.50%
S. Sreedhar Reddy	20.76	12.31%	20.76	12.96%	18.42	11.50%
V. Suresh	18.78	11.14%	18.78	11.72%	18.44	11.51%
S. Parvathi	9.72	5.76%	9.72	6.07%	9.22	5.76%
S. Sujala	11.43	6.78%	11.43	7.13%	11.06	6.91%
V. Aravinda Rani	10.73	6.36%	10.73	6.70%	10.33	6.45%
Copthal Maurities Investment Limited	-	-	-	-	13.81	8.62%
	<b>88.73</b>	<b>52.63%</b>	<b>88.73</b>	<b>55.39%</b>	<b>98.09</b>	<b>61.24%</b>

As per records of the Company including its register of share holders/members and other declarations received from share holders regarding beneficial interest, the above share holding represents legal ownership of shares as at balance sheet date.

The Company has no Subsidiaries/Associates and has no Holding Company.

During the previous year the company has received full amount of Rs. 7,13,31,308/- against share warrants of No. 8,43,060 and converted the share warrants into equity on 1st March, 2017, but the Regulatory Authority (B.S.E) has not approved the beneficiaries names of the allottees. During the year the company has considered the amount received against the share warrants as equity share capital and the listing approval is pending from BSE. Therefore, the amount received against the share warrants considered as application money is now considered as equity share capital.

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Notes to financial statements for the year ended 31st March, 2018

10(b) Other Equity

(Rupees in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
(i) Share premium	1,570.57	941.56	941.56
(ii) Capital Redemption Reserve	74.19	74.19	74.19
(iii) Retained earnings	(2,906.40)	237.36	269.65
(iv) Reserve for items of Other Comprehensive income	(1,791.61)	(1,862.40)	1.69
(v) Money received against share warrants	-	713.31	178.33
<b>Total</b>	<b>(3,053.25)</b>	<b>104.03</b>	<b>1,465.42</b>

(i) Share premium

(Rupees in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Opening balance	941.56	941.56
Issue of equity shares by exercise of share warrants	629.01	-
<b>Closing balance</b>	<b>1,570.57</b>	<b>941.56</b>

(ii) Capital Redemption Reserve

(Rupees in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Opening balance	74.19	74.19
Add: Transfer from Surplus in Statement of Profit & Loss	-	-
<b>Closing balance</b>	<b>74.19</b>	<b>74.19</b>

(iii) Retained earnings

(Rupees in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Opening balance	237.36	269.65
Net profit for the period	(3,143.76)	(32.29)
<b>Closing balance</b>	<b>(2,906.40)</b>	<b>237.36</b>

(iv) Reserve for items of Other Comprehensive income

(Rupees in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Change in fair value of FVOCI - equity instruments(Net of taxes)		
- Opening balance	(1,862.40)	1.69
- Net gains/(losses) on FVTOCI equity securities during current year	70.79	(1,864.09)
<b>Closing balance</b>	<b>(1,791.61)</b>	<b>(1,862.40)</b>

(v) Money received against share warrants

(Rupees in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Opening balance	713.31	178.33
Shares allotted during the year	(713.31)	534.98
<b>Closing balance</b>	<b>-</b>	<b>713.31</b>

**Note 11(a): Long Term Borrowings****(Rupees in Lakhs)**

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>Non-current borrowings</b>			
<b>Secured</b>			
a) Hire Purchase Finance :			
For purchase of Equipment and Vehicles under hypothecation	3.67	113.02	-
b) <b>14% Rated, Secured, Listed, Redeemable Non Convertible Debentures of Rs. 10,00,000/- each (NCDs):</b>	-	-	-
787 Nos of Debentures issued to <b>EW India Special Assets Fund Pte Limited</b>	6,611.56	7,755.95	2,647.10
191 Nos. of Debentures issued to <b>E-Cap Equities Limited</b>	1,604.58	1,882.32	636.87
<b>Total</b>	<b>8,219.81</b>	<b>9,751.29</b>	<b>3,283.97</b>

**Terms of repayment**

Debentures issued to EW India Special Assets Fund Pte Limited are repayable from August, 2018 to March, 2021 in Quarterly instalments at effective interest rate of 22%p.a.

Debentures issued to E-Cap Equities Limited are repayable from August, 2018 to March, 2021 in Quarterly instalments at effective interest rate of 22%p.a.

Hire Purchase Finance for the current year from Bank of India(BOI) is repayable from April, 2019 to July, 2021 at interest rate of 0.85% above the yearly BOIMCLRp.a and For the previous year from IIFL is repayable from April, 2018 to November, 2018 at effective interest rate of 16%p.a.

**Security**

The above NCDs are secured by Mortgage and first exclusive charge over all movable and immovable assets of the company including land, building and plant & machinery at Cement Nagar and Hypothecation of stocks and book debts on second charge basis. Further, secured by pledge of entire existing & future Promoter Group shareholding of the Company and also personal guarantee of the promoters.

Hire Purchase Finance is secured by hypothecation of equipment and vehicles purchased and personal guarantee of two directors of the Company.

**Note 11(b): Other Non-Current financial liabilities****(Rupees in Lakhs)**

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Trade Deposits from dealers	211.08	346.73	313.39
Caution Deposits from contractors	11.47	11.47	11.47
Advances against staff quarters (pending for final settlement)	78.15	78.15	78.15
Other liabilities	100.80	100.80	100.80
Interest Accrued and payable after 12 months	1,683.87	788.88	1.27
<b>Total</b>	<b>2,085.37</b>	<b>1,326.03</b>	<b>505.07</b>

**Note 12: Deferred Tax Liability****(Rupees in Lakhs)**

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Opening balance	-	-	413.94
Less: Deferred liability reversed on consideration of prudence			(413.94)
Closing balance	-	-	-

Deferred tax liability as on 1st April, 2016 has been reversed considering Deferred tax asset to the extent of liability and the balance deferred tax asset has not been recognised on consideration of prudence.

**Note 13: Other Non-current liabilities****(Rupees in Lakhs)**

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Advances against Joint Development of Property	191.86	222.00	247.00
<b>Total</b>	<b>191.86</b>	<b>222.00</b>	<b>247.00</b>

**Note 14 (a) Current borrowings**

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>Secured From banks</b>			
Cash Credits	2,444.69	2,421.06	2,995.08
<b>Total</b>	<b>2,444.69</b>	<b>2,421.06</b>	<b>2,995.08</b>

During the year there are defaults in repayment of borrowings other than cash credits. Refer note 14(c).

Cash Credits from banks, Secured by hypothecation of inventory of raw materials, finished goods, stocks in process and book debts and first pari pasu charge on the current assets and second charge on all the fixed assets of the company and also by the personal guarantee of the Directors and shareholders.

**PANYAM CEMENTS & MINERAL INDUSTRIES LIMITED**

**Note 14(b): Trade payables**

(Rupees in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Trade payables*	2,445.95	2,527.03	2,582.21
<b>Total</b>	<b>2,445.95</b>	<b>2,527.03</b>	<b>2,582.21</b>

\*(Refer Notes 28 for details of Dues to Micro, Small & Medium Enterprises as required under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act"))

(Refer Note 30 for transactions with related parties)

**Note 14(c): Other Current financial liabilities**

(Rupees in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>Secured</b>			
Current maturities of long term debt*	1,749.43	162.07	-
Interest accrued on NCDs payable within 12 months**	1,026.42	994.88	-
LC /Bills Discounted with Banks	-	180.00	500.00
<b>Un Secured</b>			
Preference share capital	19.30	19.30	19.30
Caution Deposits from Dealers/Employees payable on demand	48.02	46.63	38.91
Employees Salaries, Bonus and P F recoveries and contributions	926.30	762.70	727.33
Power Charges and Other expenses payable	3,554.62	2,117.59	2,750.97
<b>Total</b>	<b>7,324.09</b>	<b>4,283.18</b>	<b>4,036.51</b>

**Preference share capital**

Cumulative Preference Shares have fallen due for redemption on 25.07.1999 and the Company has requested the institutional shareholders for extension of repayment period.

**\*Default in repayment of Hire Purchase Finance**

During the year the Company has delayed the repayment of dues to IIFL & IKF Finance Limited

The details of overdue interest of the Company's borrowings are as follows:

(Rupees in Lakhs)

Particulars	Months	Principal	Interest
IIFL	February'18	7.84	1.46
IIFL	March'18	10.38	1.70
IKF	February'18	0.11	2.03
IKF	March'18	0.11	1.86

**\*\*Default in payment of interest on NCDs**

During the year the Company has delayed the payment of interest dues to EW India Special Assets Fund Pte Limited and E Cap Equities Limited towards NCD's.

**The details of overdue interest of the Company's borrowings are as follows:**

(Rupees in Lakhs)

Months	Interest
October'17	50.00
November'17	202.17
December'17	204.82
January'18	203.75
February'18	191.80
March'18	111.23
Penal interest	62.66
<b>Total interest overdue</b>	<b>1,026.42</b>

**Note 15: Other current liabilities**

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Statutory Dues	6,578.48	5,778.40	6,156.95
Advances from customers	1,230.77	1,856.23	1,654.22
Other Advances from Transporters/Creditors	10.74	8.99	19.52
<b>Total</b>	<b>7,819.99</b>	<b>7,643.62</b>	<b>7,830.70</b>

**Note 16: Revenue from operations****(Rupees in Lakhs)**

Particulars	Current Year	Previous Year
Sale of products	16,606.56	20,808.03
Excise duty	848.30	3,245.13
<b>Total</b>	<b>17,454.86</b>	<b>24,053.16</b>

**Note 17: Other income**

Particulars	Current Year	Previous Year
Interest on Bank and other deposits and customers	53.44	41.57
Interest on Inter corporate loans and advances to related parties	1,355.74	1,200.00
Dividend Income	0.12	0.00
Scrap Sales	75.27	33.71
Rent Receipts	3.82	4.66
Other Receipts	11.20	3.59
Written back of old credit balances	83.74	4.51
Reversal of processing fees due to Amotistion	-	123.49
<b>Total</b>	<b>1,583.33</b>	<b>1,411.53</b>

**Note 18: Cost of materials consumed****(Rupees in Lakhs)**

Particulars	Current Year	Previous Year
Consumption of raw materials	4,000.35	4,053.29
Consumption of packing materials	731.69	967.06
<b>Total</b>	<b>4,732.04</b>	<b>5,020.35</b>

(Refer Note No. 34 for details of consumption)

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<b>Note 19: Changes in inventories of finished goods, work-in-progress and stock-in-trade (Rupees in Lakhs)</b>		
<b>Particulars</b>	<b>Current Year</b>	<b>Previous Year</b>
<b>Closing Stock</b>		
Finished Goods	89.33	207.28
Stock-in-process	212.75	440.80
Scrap & Disposables	-	25.00
<b>Total Closing Stock</b>	<b>302.07</b>	<b>673.08</b>
<b>Opening Stock</b>		
Finished goods	207.28	184.74
Stock-in-process	440.80	461.53
Scrap & Disposables	25.00	
<b>Total Opening Stock</b>	<b>673.08</b>	<b>646.27</b>
<b>Total changes in inventories of work-in-progress, stock-in-trade and finished goods</b>	<b>(371.01)</b>	<b>26.81</b>
<b>Note 20: Employee Benefit Expense (Rupees in Lakhs)</b>		
<b>Particulars</b>	<b>Current Year</b>	<b>Previous Year</b>
Salaries, Wages, Bonus and Allowances	1,163.35	1,054.55
Contribution to Provident Fund	39.14	36.66
Gratuity payment	17.62	0.07
Staff Welfare expenses	263.11	262.79
<b>Total</b>	<b>1,483.22</b>	<b>1,354.07</b>
<b>Note 21: Finance cost (Rupees in Lakhs)</b>		
<b>Particulars</b>	<b>Current Year</b>	<b>Previous Year</b>
<b>Interest expenses</b>		
On Working capital cash credits and adhoc loan	381.69	480.39
On Hire Purchase Loans	52.39	38.67
Interest on Debentures	2,446.70	1,507.14
Others	497.73	310.30
<b>Other Borrowing cost:</b>		
Renewal fees for Cash credits	11.18	40.71
<b>Total</b>	<b>3,389.69</b>	<b>2,377.21</b>



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<b>Note 22: Other Expenses</b>		
	(Rupees in Lakhs)	
Particulars	Current Year	Previous Year
Consumption of stores and spares	437.78	568.24
Rent including Lease Rents	0.58	1.78
Insurance	9.34	16.57
Repairs & Maintenance		
a) Buildings	-	0.87
b) Plant & Machinery	623.62	689.42
c) Others	87.32	118.56
Rates & Taxes and service tax	75.79	170.71
Excise duty on captive consumption/Stocks	72.61	1.15
Travelling and conveyance	40.66	35.56
Printing and stationery	3.23	3.19
Postage Telegrams and Telephones	5.09	5.16
Remuneration to Managing Director	18.00	18.00
Directors Travelling	0.76	1.88
Payment to Auditors		
Statutory Audit	3.50	3.50
Tax Audit Fee	-	0.50
Audit Expenses	0.24	0.28
Cost Audit Fee	0.50	0.40
Advertisement	3.06	9.55
Legal & Professional Charges and Expenses	75.60	111.83
Bank Charges	34.76	12.21
Provision for Expected Credit Losses	20.42	-
Other Expenses	32.44	37.06
Vehicle Maintenance	14.72	13.87
Donations	0.70	2.55
Swatchh Bharat / Krishi Kalyan cess	6.24	22.21
Expenses relating to Earlier Years	57.78	25.39
<b><u>Selling Expenses :</u></b>		
Freight outward and forwarding expenses	1885.17	2101.23
Commission on consignment sales	350.46	1281.76
Other Selling expenses	25.87	34.01
<b>Total</b>	<b>3886.24</b>	<b>5287.44</b>
<b>Note 23: Exceptional items</b>		
	(Rupees in Lakhs)	
Particulars	Current Year	Previous Year
Profit on sale of property	26.24	23.29
<b>Total</b>	<b>26.24</b>	<b>23.29</b>

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<b>Note 24: Tax expenses</b>		
(Rupees in Lakhs)		
Particulars	Current Year	Previous Year
Current tax on profits for the year	-	125.00
<b>Income tax expenses</b>	-	<b>125.00</b>
<b>The income tax expense for the year can be reconciled to the accounting profit as follows :</b>		
(Rupees in Lakhs)		
Particulars	Current Year	Previous Year
<b>Current tax on profits for the year :</b>		
Profit / (Loss) for the Year	(3,143.76)	92.71
Applicable tax rate under normal provisions of income tax	34.608%	34.608%
<b>Tax payable under normal provisions as per applicable rate</b>	<b>(1,087.99)</b>	<b>32.08</b>
<b>Increase/(decrease) in tax amounts on account of:</b>		
Depreciation as per books	324.03	242.78
Disallowances	641.02	263.75
Income considered separately	(9.08)	(8.06)
Depreciation as per Income Tax act, 1961	(261.09)	(329.47)
Long term capital gains	6.05	7.57
Ind AS adjustments	332.33	157.93
MAT credit adjustment under 115JAA	-	(241.58)
<b>Total adjustments</b>	<b>1,033.26</b>	<b>92.91</b>
<b>Tax payable*</b>	-	125.00
<b>Income tax expense recognised in statement of profit and loss</b>	-	<b>125.00</b>
*There is loss during the year for the Company and hence tax expense is not provided.		
<b>Note 25: Other Comprehensive Income (OCI)</b>		
(Rupees in Lakhs)		
Particulars	Current Year	Previous Year
Net gains/(losses) on FVTOCI equity securities	70.79	(1,864.09)
Tax effect	-	-
<b>Total</b>	<b>70.79</b>	<b>(1,864.09)</b>
<b>Note 26: Earning Per Share (EPS)</b>		
(Rupees in Lakhs)		
Particulars	Current Year	Previous Year
<b>EPS</b>		
Net Profit After Tax available for Equity Shareholders	(3,143.76)	(32.29)
Weighted Average Number of Equity Shares of Rs.10/- each	168.611	160.181
Basic Earning per Share	(18.65)	(0.20)
<b>DPS</b>		
Net Profit After Tax available for Equity Shareholders	(3,143.76)	(32.29)
Weighted Average Number of Equity Shares of Rs.10/- each	168.611	168.611
Diluted Earning per Share	(18.65)	(0.19)

27. Contingent Liabilities and Commitments:		Rupees in Lakhs		
Sl.No.	Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April 2016
a	As a signatory to the Memorandum of Cement Allocation and Co-ordinating Organization	1.00	1.00	1.00
b	Guarantees given by the Bankers/Letters of Credit (Net of margin money paid)	62.69	8.64	348.23
c	Corporate guarantee given to SIPCOT for the financial assistance availed by M/s. Cheran Cement Limited (liability as on 30.04.2013)	3,174.79	3,174.79	3,174.79
d	Corporate guarantee given to SBI, SBH, Bank of India, Syndicate Bank, Indian Overseas Bank, Central Bank of India and Canara Bank for financial assistance availed by S.P.Y. Agro Industries Limited	12,635.47	13,300.57	12,584.48
e	Arrears of dividend on "C" Cumulative Preference shares held by institutions, being not redeemed and requested for extension of time	51.30	48.60	45.90
f	Estimated amount of contracts remaining to be executed on capital account (Net of advances)	1,332.75	1,332.75	420.06
g	<b>Claims against the Company not acknowledged as debts being disputed and pending in appeals:</b>			
(i)	<b>CENTRALEXCISE:</b>			
a)	CENVAT credits availed and utilized were subsequently disallowed by the Department and are pending in Appeals or CESTAT	854.91	894.96	937.46
b)	Differential Duty on supplies made to direct parties, the Company has contested in appeals and are pending with the Commissioner of Appeals or CESTAT/or A.P High Court (paid under protest Rs.12.56 lakhs)	476.58	670.85	720.42
c)	Excise Duty demanded by Central Excise Commissioner based on documents of transporters, contested by the company before Settlement Commission, Chennai (Duty paid under protest Rs. 150.23 lakhs)	Nil	150.23	Nil
(ii)	<b>ELECTRICITY MATTERS:</b>			
a)	Claim of APSEB for 10% voltage surcharge for the period from September 1983 to November 1984 contested. High Court granted stay and directed APSEB to dispose off the pending representations made by the company.	30.64	30.64	30.64
b)	Fuel Surcharge Adjustment (FSA) charges for the years 2008-09, 2009-10 and for the first quarter of 2010-11 payable to APCPDCL contested by the industrial units including the company before the Hon'ble High Court of A.P. and the High Court granted stay for the year 2009-10 and first quarter 2010-11 and the favourable order of the High Court for the year 2008-09 was referred to Supreme Court and the same is pending	53.56	53.56	53.56

**PANYAM CEMENTS & MINERAL INDUSTRIES LIMITED**

<b>Sl.No.</b>	<b>Particulars</b>	<b>As at 31st March, 2018</b>	<b>As at 31st March, 2017</b>	<b>As at 1st April 2016</b>
iii)	<b>INCOME TAX MATTERS</b>			
a)	The Assessing Officer (Dy. Commissioner of Income Tax, Kurnool) has raised demand for payment of capital gains tax on land under Joint Development Agreement for the Assessment year 2006-07. The company contested the demand before the Commissioner of Income Tax Appeals, Hyderabad and the appeal was disposed off in favour of the company vide order dated 12th February, 2018.	Nil	3150.40	3281.81
b)	The Assessing Officer has re-opened the assessment for the Assessment year 2008-09 and demand raised for MAT liability on book profit under section 115 JB of Income Tax Act, the company contested the demand before the Commissioner of Income Tax Appeals, Kurnool. The Commissioner disposed the appeal in favour of the company. The Assessing Officer has filed further appeal before the ITAT, Hyderabad.	1768.67	1541.50	1541.50
c)	The Assessing Officer (Asst. Commissioner of Income Tax, Kurnool) has re-opened the assessment for the assessment year 2009-10 under section 143 (3) of the Income Tax and the company contested the demand before the Commissioner of Income Tax Appeals, Kurnool.	4702.73	-	-
d)	The Assessing Officer (Asst. Commissioner of Income Tax, Kurnool) has re-opened the assessment for the assessment year 2010-11 under section 143 (3) of the Income Tax and the company contested the demand before the Commissioner of Income Tax Appeals, Kurnool.	174.89	-	-
iv)	<b>COMMERCIAL TAX MATTERS</b>			
a)	Demand raised by the Commercial Tax Department, Tamilnadu in respect of levy of penalty for the assessment year 1994-95 contested in appeal before Appellate Authority and the matter was remanded to assessing authority.	5.56	5.56	5.56
b)	Penalties levied by the Commercial Tax Officer, Kurnool for non-payment of tax dues before the due date. The Company has requested the Government for waiver of the penalties.	198.25	198.25	198.25
v)	Demand raised by the Department of Mines and Geology for penal interest on royalty dues for delay in payments and the Company has filed Revision Application for waiver of interest before the Department and Ministry of Mines, New Delhi	1848.86	1783.27	1521.08
vi)	<b>OTHER MATTERS</b>			
	Suits filed by the parties against the company and pending in Appeals/Courts	120.45	120.45	120.45

**Note:** Belated charges/overdue interest on delay in payment of statutory dues/liabilities have not been provided in the absence of demand for the same.

28. Under The Micro, Small and Medium Enterprises Development Act, 2006 and in accordance with the notification issued by the Ministry of Corporate Affairs, certain disclosures are required to be made relating to Micro and Small Enterprises as defined in the said Act. The company is in the process of compiling the relevant information from its suppliers about their coverage under the said Act and hence required disclosures could not be made.

**29. Segment Reporting**

The business activity and geographical operations of the company is in one segment of cement product and hence segment reporting is not applicable.

**30. Related party transactions:**

a) Names of related parties and description of relationship:

Description of Relationship	Name of related party
Enterprises where significant influence/control of key managerial personnel or their relatives exists	S.P.Y. Agro Industries Limited
	Sujala Pipes Private Limited
	Cheran Cements Limited
	Integrated Thermo Plastics Limited
	Sujala Infrastructure Private Limited
	Anantha PVC Pipes Private Limited
	Nandi Polymers India Private Limited
	Nandi PVC Products Private Limited
	Nandi CPVC Pipe Products India Private Limited
	Nandi Pipes Private Limited
SPY Reddy Educational Society	
Key Management Personnel	Sri S. Sreedhar Reddy
	Sri V. Suresh Kumar
	Sri V. Ramnath
	Dr. R.K. Prasad Sunkara
	Smt V. Aravinda Rani
	Sri P.J. Reddy
	Sri Panduranga Rao
	Sri S. Nageshwara Reddy

**PANYAM CEMENTS & MINERAL INDUSTRIES LIMITED**

**b) Summary of transactions with the related parties is as follows:**

**Rupees in Lakhs**

Sl.No.	Nature of Transaction	Transaction Value for the Year ended			Balance as at		
		2017-18	2016-17	2015-16	31.3.2018	31.3.2017	31.3.2016
1	Sales/advances and receivable	NIL	NIL	NIL	264.23	264.23	264.23
2	Remuneration to Managing Director	18.00	18.00	18.00	32.37	21.36	14.61
3	Corporate Guarantee given to SIPCOT for financial assistance availed by Cheran Cement Limited (estimated liability)	NIL	NIL	NIL	3,174.79	3,174.79	3,174.79
4	Corporate Guarantee given to SBI, SBH, Bank of India, Syndicate Bank, Indian Overseas Bank, Canara Bank and Central Bank for Financial assistance availed by S.P.Y. Agro Industries Limited	(665.10)	716.09	1396.89	12635.47	13,300.57	12584.48
5	Purchases and services availed from and due to enterprises in which KMP or relatives of KMP have control / significant influence	811.67	978.14	634.59	(1,205.56)	(364.76)	418.94
6	Sales and services provided to and due from Associate Companies	2.25	38.74	307.26	12.49	53.93	27.21
7	Advances/Inter-corporate Deposits given to Associate Companies	(1,001.33)	(825.90)	2810.67	7978.16	8,980.05	9805.95
8	Investment in Equity Shares of M/s. S.P.Y. Agro Industries Limited	NIL	5,000.00	NIL	5,000.00	5,000.00	NIL

Figures have been rounded off to the nearest decimal of Lakhs under Notes to Accounts.

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

**Note 31: Fair value measurements****a) Financial instruments by category**

The carrying value of financial instruments by categories as of March 31, 2018 is as follows :

(Rupees in Lakhs)

Particulars	FVTPL	FVTOCI	Amortised cost	Total
<b>Financial assets:</b>				
Investments				
Equity instruments	-	3,209.24	-	3,209.24
Trade receivables	-	-	2,722.86	2,722.86
Cash and cash equivalents	-	-	39.32	39.32
Bank balances other than Cash and cash equivalents	-	-	34.23	34.23
Loans	-	-	7,978.16	7,978.16
Other financial assets	-	-	804.59	
<b>Total Financial assets</b>	-	<b>3,209.24</b>	<b>11,579.17</b>	<b>13,983.82</b>
<b>Financial Liabilities:</b>				
Borrowings	-	-	10,664.50	10,664.50
Trade payables	-	-	2,445.95	2,445.95
Other financial liabilities	-	-	9,409.46	9,409.46
<b>Total Financial liabilities</b>	-	-	<b>22,519.91</b>	<b>22,519.91</b>

The carrying value of financial instruments by categories as of March 31, 2017 is as follows :

(Rupees in Lakhs)

Particulars	FVTPL	FVTOCI	Amortised cost	Total
<b>Financial assets:</b>				
Investments				
Equity instruments	-	3,138.45	-	3,138.45
Trade receivables	-	-	2,554.96	2,554.96
Cash and cash equivalents	-	-	57.78	57.78
Bank balances other than Cash and cash equivalents	-	-	133.61	133.61
Loans	-	-	8,979.49	8,979.49
Other financial assets	-	-	214.94	214.94
<b>Total Financial assets</b>	-	<b>3,138.45</b>	<b>11,940.78</b>	<b>15,079.24</b>
<b>Financial liabilities:</b>				
Borrowings	-	-	12,172.35	12,172.35
Trade payables	-	-	2,527.03	2,527.03
Other financial liabilities	-	-	5,609.21	5,609.21
<b>Total Financial liabilities</b>	-	-	<b>20,308.59</b>	<b>20,308.59</b>

PANYAM CEMENTS & MINERAL INDUSTRIES LIMITED

The carrying value of financial instruments by categories as of 1st April, 2016 is as follows :

(Rupees in Lakhs)

Particulars	FVTPL	FVTOCI	Amortised cost	Total
<b>Financial assets</b>				
Investments				
Equity instruments	-	2.54	-	2.54
Trade receivables	-	-	1,965.73	1,965.73
Cash and cash equivalents	-	-	431.37	431.37
Bank balances other than Cash and cash equivalents	-	-	223.60	223.60
Loans	-	-	9,805.95	-
Other financial assets	-	-	177.33	177.33
<b>Total Financial assets</b>	-	<b>2.54</b>	<b>12,603.98</b>	<b>2,800.57</b>
<b>Financial liabilities</b>				
Borrowings	-	-	6,279.05	6,279.05
Trade payables	-	-	2,582.21	2,582.21
Other financial liabilities	-	-	4,541.58	4,541.58
<b>Total Financial liabilities</b>	-	-	<b>13,402.83</b>	<b>13,402.83</b>

**b) Fair value hierarchy**

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets as at 31st March 2018:

Fair value measurement using (Rupees in Lakhs)

	Level - 1	Level - 3	Level - 3	Total
<b>Financial assets</b>				
<b>Financial instruments at FVTOCI</b>				
<b>Investments in Quoted equity instruments</b>				
equity shares of Vijaya Bank Ltd	6.74	-	-	6.74
<b>Investments in Un-Quoted equity instruments</b>				
equity shares of of M/s S.P.Y. Agro Industries Ltd	-	-	3,202.50	3,202.50
<b>Total Financial assets</b>	<b>6.74</b>	-	<b>3,202.50</b>	<b>3,209.24</b>

Quantitative disclosures fair value measurement hierarchy for assets as at 31st March 2017:

Fair value measurement using (Rupees in Lakhs)

	Level - 1	Level - 3	Level - 3	Total
<b>Financial assets</b>				
<b>Financial instruments at FVTOCI</b>				
<b>Investments in Quoted equity instruments</b>				
equity shares of Vijaya Bank Ltd	6.40	-	-	6.40
<b>Investments in Un-Quoted equity instruments</b>				
equity shares of of M/s S.P.Y. Agro Industries Ltd	-	-	3,132.05	3,132.50
<b>Total Financial assets</b>	<b>6.40</b>	-	<b>3,132.05</b>	<b>3,138.45</b>



**Quantitative disclosures fair value measurement hierarchy for assets as at 1st April 2016:**

	Fair value measurement using (Rupees in Lakhs)			Total
	Level - 1	Level - 2	Level - 3	
<b>Financial assets</b>				
<b>Financial instruments at FVTOCI</b>				
<b>Investments in Quoted equity instruments</b>				
equity shares of Vijaya Bank Ltd	2.54	-	-	2.54
<b>Investments in Un-Quoted equity instruments</b>				
equity shares of of M/s S.P.Y. Agro Industries Ltd	-	-	-	-
<b>Total Financial assets</b>	<b>2.54</b>	<b>-</b>	<b>-</b>	<b>2.54</b>

**Reconciliation of Level 3 fair value measurements****Investment in unquoted shares irrevocably designated as FVTOCI**

(Rupees in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Opening balance	6,867.95	-	-
Purchases	-	5,000.00	-
Total gains/losses in other comprehensive income	-3,665.45	1,867.95	-
<b>Closing balance</b>	<b>3,202.50</b>	<b>6,867.95</b>	<b>-</b>

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted price. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

**Note:** There are no transfers between levels 1 and 2 during the year.

## PANYAM CEMENTS & MINERAL INDUSTRIES LIMITED

### Note 32: Capital Management & Risk management

#### Capital management

The Company being in a capital intensive industry, its objective is to maintain a strong credit rating healthy capital ratios and establish a capital structure that would maximise the return to stakeholders through optimum mix of debt and equity. The Company's capital requirement is mainly to fund its capacity expansion, repayment of principal and interest on its borrowings. The principal source of funding of the Company has been, and is expected to continue to be, cash generated from its operations supplemented by funding from borrowings. The Company regularly considers other financing and refinancing opportunities to diversify its debt profile, reduce interest cost and align maturity profile of its debt commensurate with life of the assets, and closely monitors its judicious allocation amongst competing capital expansion projects to capture market opportunities at minimum risk.

#### Gearing ratio

The Company monitors its capital using gearing ratio, which is total debt divided to total equity as given below:

Particulars	(Rupees in Lakhs)		
	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Total Debt*	9,969.25	9,913.37	3,283.97
Equity share capital	1,686.42	1,602.11	1,602.11
Other equity	-3,053.2	104.03	1,465.42
Cummulative redeemable preference shares	19.30	19.30	19.30
Total equity	-1,347.53	1,725.44	3,086.83
Total debt to Total equity ratio	(7.40)	5.75	1.06

\*Total Debt is defined as secured long-term including current maturities of borrowings excluding cummulative redeemable preference shares.

#### Financial risk management and objectives and policies

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact in the financial statements. The Company activities exposed it to market risk (including price risk), credit risk and liquidity risk. A Special Team with Senior Executives having exposure in various fields has been formed to assist Managing director in (a) Overseeing and approving the Company's enterprise wide risk management framework, and (b) Overseeing that all the risks that the organisation faces such as market risk(including currency risk, interest rate risk and other price risk), Credit risk and liquidity risk have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks. The Managing Director and CFO, monitors and reports on the principal risks and uncertainties that can impact the company and its ability to achieve strategic objectives. The Company's management systems, organisational structures, processes, standards, code of conduct and behaviors together form the Management and business of the Company.

##### A. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices and equity prices. Financial assets/liabilities affected by this risk are borrowings, letter of credits and trade receivables and investments.

The Company's investments in listed and non-listed equity securities are susceptible to price risk arising from uncertainties about future value of the investment securities. The Company's non-current investment in equity shares are strategic investments and hence are considered as Fair Value through Other Comprehensive Income. The Company's Board of Directors reviews and approves all equity investment decisions

##### B. Credit risk

Credit risk refers to the risk that the counter party will default on its contractual obligations resulting in financial loss to the Company. The Company is operating through network of dealers based at different locations. Regular monitoring of the receivables is undertaken by the Marketing Department and in case the limits are exceeded, steps will be taken by the

Marketing departments and after discussing with the management the Company will decide whether to stop or not further supplies to the concerned dealer till the amount outstanding is recovered. For the export made by the Company, the sales are backed by letters of credit or advance receipts. The internal risk management committee of the Company meets regularly to discuss the dealers and credit risks, measures taken to address them and the status and level of risk after the measures taken. Export sales are fully secured through letters of credit or against advance receipts. (refer Note No.8(a) for Trade Receivables outstanding).

### C. Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company maintains flexibility in funding by maintaining availability under committed credit lines.

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

#### (i) Financing arrangements

The table below provides details regarding the remaining contractual maturities of financial liabilities as at reporting date

(Rupees in Lakhs)

Particulars	On demand	< 1 Year	1-5 Years	5 + Years	Total
<b>As at 31st March, 2018</b>					
Borrowings	-	-	8,219.81	-	8,219.81
Other financial liabilities	-	-	2,085.37	-	2,085.37
<b>Total non-current financial liabilities</b>	-	-	<b>10,305.18</b>	-	<b>10,305.18</b>
Current borrowings	-	2,444.69	-	-	2,444.69
Trade payables	-	2,445.95	-	-	2,445.95
Other current financial liabilities	-	7,324.09	-	-	7,324.09
<b>Total current financial liabilities</b>	-	<b>12,214.73</b>	-	-	<b>12,214.73</b>
<b>Total</b>	-	<b>12,214.73</b>	<b>10,305.18</b>	-	<b>22,519.91</b>
<b>As at 31st March, 2017</b>					
Bank borrowings	-	-	9,751.29	-	9,751.29
Other financial liabilities	-	-	1,326.03	-	1,326.03
<b>Total non-current financial liabilities</b>	-	-	<b>11,077.32</b>	-	<b>11,077.32</b>
Current borrowings	-	2,421.06	-	-	2,421.06
Trade payables	-	2,527.03	-	-	2,527.03
Other current financial liabilities	-	4,283.18	-	-	4,283.18
<b>Total current financial liabilities</b>	-	<b>9,231.27</b>	-	-	<b>9,231.27</b>
<b>Total</b>	-	<b>9,231.27</b>	<b>11,077.32</b>	-	<b>20,308.59</b>
<b>As at 1st April, 2016</b>					
Bank borrowings	-	-	3,283.97	-	3,283.97
Other financial liabilities	-	-	505.07	-	505.07
<b>Total non-current financial liabilities</b>	-	-	<b>3,789.04</b>	-	<b>3,789.04</b>
Current borrowings	-	2,995.08	-	-	2,995.08
Trade payables	-	2,582.21	-	-	2,582.21
Other current financial liabilities	-	4,036.51	-	-	4,036.51
<b>Total current financial liabilities</b>	-	<b>9,613.79</b>	-	-	<b>9,613.79</b>
<b>Total</b>	-	<b>9,613.79</b>	<b>3,789.04</b>	-	<b>13,402.83</b>

**Note 33: First-time adoption of Ind AS**

**Transition to Ind AS:**

These are the Company's first financial statements prepared in accordance with Ind AS. The accounting policies set out in Note I have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS balance sheet at 1 April 2016 (the date of transition). In preparing opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

**Exemptions and exceptions availed**

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

**Ind AS optional exemptions**

**Deemed cost**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. Accordingly, the Company has elected to measure all of its property, plant and equipment, at their previous GAAP carrying value.

**Designation of financial instruments**

Ind AS 101 allows an entity to make an irrevocable option at initial recognition for investments in equity instrument not held for trading to measure at FVTOCI on the basis of the facts and circumstances at the date of transition to Ind AS. The Company has elected to apply this exemption for its investment in equity investments.

**Leases**

Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material. The Company has elected to apply this exemption for such contracts/arrangements.

**Ind AS mandatory exemptions**

**Estimates**

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:-

Investment in equity instruments carried at FVOCI; and

Impairment of financial assets based on expected credit loss model.

**De-recognition of financial assets and liabilities**

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities de-recognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

**Classification and measurement of financial assets**

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

**Notes to Financial Statements for the year ended 31st March 2018****Note 33: First-time Ind AS adoption reconciliations**

The following reconciliations provide the effect of transition to Ind AS from Indian GAAP in accordance with Ind AS 101.

**(Amount in Rupees)**

Sl. No.	Reconciliation Particulars	Foot Notes	Balance Sheet as at 31st March, 2017			Balance Sheet as at 1st April, 2016		
			Indian GAAP	Ind as Adjustment	Ind AS	Indian GAAP	Ind as Adjustment	Ind AS
<b>I</b>	<b>ASSETS</b>							
<b>(1)</b>	<b>Non-current assets</b>							
	Property, Plant and Equipment		86,32,70,213	-	86,32,70,213	68,33,99,249	-	68,33,99,249
	Capital work in progress	4	17,12,58,834	2,06,85,792	19,19,44,626	24,23,64,978	-	24,23,64,978
	Financial Assets							
	Investments	1	38,16,200	31,00,29,100	31,38,45,300	38,16,200	(35,62,265)	2,53,935
	Long-term loans and advances		76,01,81,081	(76,01,81,081)	-	60,68,53,285	(60,68,53,285)	-
	Loans		-	62,76,78,035	62,76,78,035	-	57,80,94,161	57,80,94,161
	Other financial assets		-	40,19,868	40,19,868	-	10,92,375	10,92,375
	Other non-current assets		-	12,84,83,177	12,84,83,177	-	2,76,66,748	2,76,66,748
			<b>1,79,85,26,328</b>	<b>33,07,14,892</b>	<b>2,12,92,41,220</b>	<b>1,53,64,33,711</b>	<b>(35,62,265)</b>	<b>1,53,28,71,446</b>
<b>(2)</b>	<b>Current assets</b>							
	Current investments		50,81,04,859	(50,81,04,859)	-	84,95,365	(84,95,365)	-
	Inventories		24,76,09,724	-	24,76,09,724	20,13,80,625	-	20,13,80,625
	Financial Assets							
	Trade Receivables	2	25,54,96,320	-	25,54,96,320	19,65,73,145	-	19,65,73,145
	Cash and cash equivalents		1,91,39,048	(1,33,60,747)	57,78,301	6,54,96,883	(2,23,60,121)	4,31,36,762
	Bank balances other than Cash and cash equivalents		-	1,33,60,747	1,33,60,747	-	2,23,60,121	2,23,60,121
	Short term loans and advances		35,04,04,020	(35,04,04,020)	-	46,18,41,484	(46,18,41,484)	-
	Loans		-	27,02,71,393	27,02,71,393	-	40,25,01,059	40,25,01,059
	Others		-	1,74,73,779	1,74,73,779	-	1,66,40,169	1,66,40,169
	Other current assets		27,39,557	6,53,88,263	6,81,27,820	3,47,228	4,54,09,078	4,57,56,306
			<b>1,38,34,93,528</b>	<b>(50,53,75,444)</b>	<b>87,81,18,084</b>	<b>93,41,34,730</b>	<b>(57,86,543)</b>	<b>92,83,48,186</b>
	<b>Total Assets</b>		<b>3,18,20,19,856</b>	<b>(17,46,60,552)</b>	<b>3,00,73,59,304</b>	<b>2,47,05,68,441</b>	<b>(93,48,808)</b>	<b>2,46,12,19,633</b>
<b>II</b>	<b>EQUITY AND LIABILITIES</b>							
<b>(1)</b>	<b>Equity</b>							
	Equity Share capital		16,21,41,085	(19,29,900)	16,02,11,185	16,21,41,085	(19,29,900)	16,02,11,185
	Other Equity	1 to 6	20,30,09,518	(19,26,07,000)	1,04,02,518	10,71,07,899	3,94,34,271	14,65,42,170
	<b>LIABILITIES</b>							
<b>(1)</b>	<b>Non-current liabilities</b>							
	Financial Liabilities							
	Borrowings	4	98,93,02,242	(1,41,72,755)	97,51,29,487	33,01,26,575	(17,29,535)	32,83,97,040
	Other financial liabilities		-	13,26,02,936	13,26,02,936	-	5,05,07,055	5,05,07,055
	Deferred tax liabilities (Net)		4,13,93,576	(4,13,93,576)	-	4,13,93,576	(4,13,93,576)	-
	Other non-current liabilities		7,59,14,401	(5,37,14,713)	2,21,99,688	7,50,80,168	(5,03,80,480)	2,46,99,688
			<b>1,47,17,60,822</b>	<b>(17,12,15,008)</b>	<b>1,30,05,45,814</b>	<b>71,58,49,303</b>	<b>(54,92,165)</b>	<b>71,03,57,138</b>
<b>(2)</b>	<b>Current liabilities</b>							
	Financial Liabilities							
	Borrowings		24,21,05,617	-	24,21,05,617	29,95,07,711	-	29,95,07,711
	Trade and other payables		25,27,03,408	-	25,27,03,408	25,82,20,784	-	25,82,20,784
	Other financial liabilities	3	-	42,83,17,627	42,83,17,627	-	40,36,50,586	40,36,50,586
	Other current liabilities		1,19,07,50,010	(42,63,87,727)	76,43,62,283	1,18,47,90,645	(40,17,20,686)	78,30,69,959
	Provisions		2,47,00,000	(2,47,00,000)	-	1,22,00,000	(1,22,00,000)	-
	Current tax liabilities (Net)		-	1,93,24,556	1,93,24,556	-	64,13,457	64,13,457
			<b>1,71,02,59,034</b>	<b>(34,45,544)</b>	<b>1,70,68,13,490</b>	<b>1,75,47,19,139</b>	<b>(38,56,643)</b>	<b>1,75,08,62,495</b>
	<b>Total Equity and Liabilities</b>		<b>3,18,20,19,856</b>	<b>(17,46,60,552)</b>	<b>3,00,73,59,303</b>	<b>2,47,05,68,441</b>	<b>(93,48,808)</b>	<b>2,46,12,19,633</b>

**PANYAM CEMENTS & MINERAL INDUSTRIES LIMITED**

**Notes to Financial Statements for the year ended 31st March 2018**

**Note 33: First-time Ind AS adoption reconciliations**

The following reconciliations provide the effect of transition to Ind AS from Indian GAAP in accordance with Ind AS 101.

**(Amount in Rupees)**

Reconciliation		Statement of Profit and Loss for the year ended 31st March, 2017				
Sl. No.	Particulars	Foot Notes	Indian GAAP	Ind as Reclassification	Ind as Adjustment	Ind AS
I	Revenue from operations		2,08,08,03,365	32,45,12,828		2,40,53,16,193
II	Other income	4	12,88,03,939		1,23,49,069	14,11,53,008
III	Total revenue (I + II)		2,20,96,07,305	32,45,12,828	1,23,49,069	2,54,64,69,201
IV	Expenses					
	Cost of materials consumed		50,20,35,409	-		50,20,35,409
	Purchase of stock-in-trade		-	-		-
	Changes in inventories of finished goods, work in progress and stock-in-trade		(26,80,930)	-		(26,80,930)
	Excise duty on sale of goods			32,45,12,828		32,45,12,828
	Employee benefit expense		13,54,06,941	-		13,54,06,941
	Finance cost	4	17,97,39,415	-	5,79,81,704	23,77,21,119
	Depreciation and amortisation expense		7,01,51,491	-		7,01,51,491
	Other expense	2	1,27,23,80,835	-		1,27,23,80,835
	Total expenses (IV)		2,15,70,33,160	32,45,12,828	5,79,81,704	2,53,95,27,693
V	Profit/ (loss) before exceptional items and tax (III-IV)		5,25,74,144	-	(4,56,32,636)	69,41,508
VI	Exceptional items		23,28,994	-	-	23,28,994
VII	Profit/ (loss) before tax (V+VI)		5,49,03,138	-	(4,56,32,636)	92,70,502
	Current tax		1,25,00,000			1,25,00,000
	Deferred tax					-
VIII	Tax expense		1,25,00,000			1,25,00,000
IX	Profit/ (loss) for the period from continuing operations (VII-VIII)		4,24,03,138	-	(4,56,32,636)	(32,29,498)
X	Other comprehensive income					
	Other comprehensive income not to be reclassified to profit or loss in subsequent periods:					
	Net gains/(losses) on FVTOCI equity securities	1	-		(18,64,08,635)	(18,64,08,635)
	Tax effect		-	-	-	-
XI	Total comprehensive income for the period (IX+X)		4,24,03,138	-	(23,20,41,271)	(18,96,38,133)

**Notes to financial statements for the year ended 31st March, 2018**

Footnotes to the reconciliation of equity as at April 1st, 2016 and March 31, 2017 and total comprehensive income for the year ended March 31, 2017:

**1. Fair valuation of investments:**

Under IGAAP Long-term Investments are usually carried at cost. Whereas under Ind AS 109 Financial Instruments, the equity instruments not held for trading, an entity can make an irrevocable option at initial recognition and measure the same at fair value and resulting fair value changes are recognised through Other Comprehensive Income (OCI). The Company has measured the equity instruments at fair value through OCI and gains/losses if any has been recognised through OCI.

**2. Trade receivables**

As per Ind AS 109 Financial Instruments, the Company is required to apply expected credit loss model for recognising the allowance for doubtful debts. Impairment loss allowance is made in financial statements after considering "Expected Credit Loss model". Where as under IGAAP provisions for trade receivables are provided based on the best judgement of management after analysing the facts and circumstances.

**3. Preference share capital**

Under IGAAP Cumulative Redeemable Preference shares are treated as Share Capital. Whereas, under Ind AS 109 Financial Instruments the same is recognised as Financial Liability since it provides mandatory redemption by the issuer and it is measured at amortised cost using effective interest rate.

**4. Borrowings**

Ind AS 109 Financial Instruments, requires transaction costs to be deducted from the carrying amount of borrowings on initial recognition. These costs are then capitalised or recognised in the Statement of Profit or Loss over the tenure of borrowings as part of the interest expense by applying the effective interest method. The corresponding adjustments have been recognised in retained earnings and to fixed assets as at the date of transition and subsequently in the Statement of Profit or Loss. Under Ind AS Redeemable Non-convertible debentures are measured at amortised cost using effective interest rate (EIR). The amortised costs are then capitalised or recognised in the Statement of Profit or Loss as part of the interest expense by applying the effective interest method. The corresponding adjustments have been recognised in retained earnings and to fixed assets as at the date of transition and subsequently in the Statement of Profit or Loss.

**5. Retained earnings**

Retained earnings as at April 1, 2016 has been adjusted consequent to the above Ind AS transition adjustments.

**6. Other comprehensive income**

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans, fair value gains or (losses) on FVOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

**PANYAM CEMENTS & MINERAL INDUSTRIES LIMITED**

<b>34. Revenue from operations or sale of goods (Gross sales)</b>					<b>(Rupees in Lakhs)</b>
<b>S.No</b>	<b>Description of Goods</b>	<b>Qty in Mts.</b>	<b>For the year ended March 31, 2018</b>	<b>Quantity in Mts.</b>	<b>For year ended March - 31, 2017</b>
A	Manufactured Goods				
1.	Clinker	758.14	26.71	Nil	Nil
2	Cement	4,60,840.67	21,192.37	5,73,554	26,655.42
	<b>Total</b>	<b>4,61,598.81</b>	<b>21,219.08</b>	<b>5,73,554</b>	<b>26,655.42</b>

<b>35. Cost of Raw Materials Consumed</b>					
<b>S.No.</b>	<b>Description</b>	<b>2017-18</b>		<b>2016-17</b>	
		<b>Qty in Tonnes</b>	<b>Value</b>	<b>Qty in Tonnes</b>	<b>Value</b>
1	Limestone (Cement Grande) *	422580	468.03	528038	450.70
2	Laterite	11754	240.96	13191	246.59
3	Gypsum	13571	240.55	12755	213.11
4	Iron Ore	9633	146.20	20929	308.04
5	Clinker	36680	845.38	0	0
6	Flyash & Other	160933	2059.23	188898	2834.84
	<b>Total</b>		<b>4000.35</b>		<b>4053.28</b>

\* represents royalty, welfare cess on own quarrying of limestone

<b>36. Value of indigenous raw material components, spare parts and other materials consumed.</b>						<b>(Rupees in Lakhs)</b>
	<b>Description</b>	<b>2017-18</b>		<b>2016-17</b>		
		<b>Value</b>	<b>%</b>	<b>Value</b>	<b>%</b>	
a)	Raw Materials	4000.35	100%	4053.29	100%	
ii)	Indigenous	4000.35	100%	4053.29	100%	
	<b>Total</b>	<b>4000.35</b>	<b>100%</b>	<b>4053.29</b>	<b>100%</b>	
b)	Stores and Spare parts:	Value	%	Value	%	
ii)	Indigenous	437.78	100%	568.24	100%	
	<b>Total</b>	<b>437.78</b>	<b>100%</b>	<b>568.24</b>	<b>100%</b>	

<b>37. Value of imports calculated on CIF Basis</b>				<b>(Rupees in Lakhs)</b>
		<b>2017-18</b>	<b>2016-17</b>	
a)	Raw Materials	Nil	Nil	
b)	Components and spare parts	Nil	Nil	
c)	Capital Goods	Nil	Nil	
	<b>Total</b>	<b>Nil</b>	<b>Nil</b>	

<b>38. Earnings in foreign Exchange</b>				<b>(Rupees in Lakhs)</b>
		<b>2017-18</b>	<b>2016-17</b>	
a)	FOB Value of Exports	Nil	Nil	

<b>39. Expenditure in Foreign Exchange</b>				<b>(Rupees in Lakhs)</b>
		<b>2017-18</b>	<b>2016-17</b>	
i)	Raw Materials	Nil	Nil	
ii)	Travelling Expenses	Nil	Nil	
iii)	Others	Nil	Nil	
	<b>Total</b>	<b>Nil</b>	<b>Nil</b>	



## PANYAM CEMENTS & MINERAL INDUSTRIES LIMITED

(CIN : L26940AP1955PLC000546)  
Registered Office: C-1, Industrial Estate, Bommalasatram,  
Nandyal - 518 502, Kurnool Dist. A.P.  
Central Administrative Office: Plot No.188, Phase - II, Kamalapuri Colony,  
Hyderabad - 500 073, TS. INDIA.

Form No. MGT-11

### PROXY FORM

(Pursuant to section 105(6) of the Companies Act,2013 and  
Rule 19(3) of the Companies (Management and Administration ) Rules, 2014)

Regd.Folio No :	*DP ID :
No. of Shares held :	*Client ID :

I / We , being the member (s) of .....shares of the above named Company , hereby appoint

1. \_\_\_\_\_ of \_\_\_\_\_ E-mail ID \_\_\_\_\_

1. \_\_\_\_\_ of \_\_\_\_\_ E-mail ID \_\_\_\_\_

and whose signatures are appended below as my/our proxy to attend and vote, in case of a poll, for me / us and on my / our behalf at the Sixty Two Annual General Meeting of the Company, to be held on Monday, the 31st December, 2018 at 11.45 A..M. at the Registered Office : C-1, Industrial Estate, Bommalasatram, Nandyal - 518 502, Kurnool Dist., A.P. and any adjustment thereof :

S.No.	Resolution (s)	Vote	
		For	Against
	Ordinary Business		
1.	Adoption of Audited Financial statements for the year ended 31.03.2018.		
2.	Re-appointment of Sri V Suresh Kumar as a Director		
3.	Re-appointment of Sri V Ramnath as a Director		
4.	Appointment of M/s. K.S.Rao & Co, as Statutory Auditors of the Company .		
	<b>Special Business - Ordinary Resolution :</b>		
5.	Ratification of appointment of Aruna Prasad & Co., as Cost Auditors for the Financial Year 2018-19.		

Signed on this \_\_\_\_\_ of December 2018

Signature of Share holders \_\_\_\_\_

Signature of Proxy holder(s) \_\_\_\_\_

Affix Rs.1/- Revenue Stamp
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Note :

This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the Meeting.

The proxy need not be a member of the company.

\*applicable for investors holding shares in Electronic form.



**PANYAM CEMENTS & MINERAL INDUSTRIES LIMITED**

Registered Office: C-1, Industrial Estate, Bommalasatram, Nandyal-518502, Kurnool Dist. A.P.  
Administrative Office: Plot No: 188, Phase-II, Kamalapuri Colony, Hyderabad-500073, Telangana  
Tel: 040-23555317, Email: caohyd@panyamcements.com. Website: www.panyamcements.com

Date: 13th November, 2018

**PANYAM / SHAREHOLDERS / UPDATATION / PAN & BANK DETAILS - LETTER**

**COMPANY : Panyam Cements & Mineral Industries Ltd**  
**SUBJECT : Update PAN & Bank Details**

Dear Shareholder,

We wish to inform you that SEBI vide its Circular SEBI/HO/MISRD/DOPI/CIR/P/2018/73 dated April 20,2018, has streamline and strengthen the procedures fro transfer of securities and payment of dividend. In this regard SEBI has instructed the Company / RTA to inform all the shareholders who are holding shares in Physical and whose PAN and Bank details has not been updated in Company/RTA records.

Further SEBI has mandated to credit dividend, if any, directly to the Bank accounts of shareholders through NEFT/RTGS. Hence, we request you to update your bank details by sending following documents to the below mentioned address:

1. Request letter (Format attached)
2. Self-attested copy of PAN
3. Self-attested copy of latest address proof
4. Original cancelled cheque leaf/attested bank passbook showing name of account holder

Registrar and Share Transfer Agent (RTA)  
XL Softech Systems Limited  
(Unit-Panyam Cements & Mineral Industries Ltd)  
3, Sagar Society, Road No.2, Banjara Hills,  
Hyderabad - 500 034.  
Phone: 040-23545913/14/15  
Email: xlfield@gmail.com

You are requested to send all the above mentioned documents to our RTA at the above mentioned address within 21 days from the date of this letter. Please note that you neet not send any communication to the Company address, related to this matter. Kindly ignore this letter if you have already complied with the requirements.

\* He suggest you to dematerialize your holdings to enjoy the benefits at fullest and in avoid the demerits of holding physical shares.

**for Panyam Cements & Mineral Industries Ltd**  
Sd/-  
S. Sreedhar Reddy  
Managing Director

To,  
XL Softech Systems Limited  
Registrar and Share Transfer Agent (RTA)  
3, Sagar Society,  
Road No.2, Banjara Hills,  
Hyderabad - 500 034.  
Phone: 040-23545913/14/15  
Email: xlfield@gmail.com

### UPDATION OF PAN AND BANK DETAILS

Date: \_\_\_\_\_

Dear Sir,

In response to your letter Ref. No. PANYAM / SHARE HOLDERS / UPDATE / PAN & BANK DETAILS - Letter. I/We am/are sending you the following details and documents as requested by you.

Name : \_\_\_\_\_  
Address of the shareholder : \_\_\_\_\_  
Phone No : \_\_\_\_\_  
Email : \_\_\_\_\_  
Folio No/ DPId & Client ID : \_\_\_\_\_

#### Bank Details

Name of Holder : \_\_\_\_\_  
Account No : \_\_\_\_\_  
Bank Name : \_\_\_\_\_  
Branch : \_\_\_\_\_  
IFSC Code : \_\_\_\_\_  
MICR Code : \_\_\_\_\_

#### Signature of the Shareholder

Encl:

1. Self-attested copy of PAN
2. Self-attested copy of latest address proof
3. Original cancelled cheque leaf/ attested bank passbook showing name of the account holder

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**PRINTED MATTER  
BOOK - POST**

If undelivered please return to :

**PANYAM CEMENTS &  
MINERAL INDUSTRIES LIMITED**

Registered Office :  
C-1, Industrial Estate,  
Bommalasatram,  
Nandyal - 518 502.,  
Kurnool District, A.P.

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SAVYA ENTERPRISES, MOBILE: 9440055572