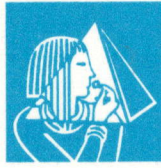


Panyam Cements & Mineral Industries Limited

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



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

Date: 22/11/2019

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

Scrip Code: 500322

Scrip Name: PANCM

Dear Sir,

Sub: 63rd Annual Report.

We are attaching herewith a soft copy of the 63rd Annual Report of our company for the financial year ended 31st March, 2019 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

S. Sreedhar Reddy

(S Sreedhar Reddy)
Managing Director.





**PANYAM
CEMENTS & MINERAL
INDUSTRIES LIMITED**



2018 - 19

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CORPORATE INFORMATION

BOARD OF DIRECTORS

P. JAYARAMA REDDY

Chairman

S. SREEDHAR REDDY

Managing Director

V. ARAVINDA RANI

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, 64th Street,
10th 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.
Email: regoffice@panyamcements.com

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

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 63rd Annual General Meeting of the Members of the Company will be held on Saturday, the 30th November, 2019 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 2019, 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 Smt. V. Aravinda Rani, (DIN No. 01241976), who retires by rotation and being eligible her self for re-appointment.
3. 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.”

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

S. SREEDHAR REDDY
Managing Director
Din No. 01440442

Place: Nandyal
Date: 23rd October, 2019

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

Notes:-

1. The Explanatory Statement pursuant to section 102 of the Companies Act, 2013 (Act) in respect of the business under Item No. 3 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 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 25.11.2019 to 30.11.2019 (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 / XLSofttech 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 / XLSofttech 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 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 XLSofttech Systems Ltd, for consolidation into a single folio.
13. Non-Resident Indian Members are requested to inform XLSofttech 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 Softtech Systems Ltd/Depositories for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

PANYAM CEMENTS & MINERAL INDUSTRIES LIMITED

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 2018-19 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 2018-19 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
- (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 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"> • 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. • 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.
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"> • 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.

- (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.

- (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.
 - 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 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 under help section or write an email to 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 27th November, 2019 and ends at 5.00 P.M. on 29th November, 2019. 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. 403, 4th Floor, 1-10-12/5,6,7, Sri Sai Rajendra Pinnacle Street No. 4, Ashok Nagar, Hyderabad - 500 020. 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 2nd December, 2019, as 1st December 2019 falls on Sunday.

PANYAM CEMENTS & MINERAL INDUSTRIES LIMITED

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

As required by clause 49(VIA) of the Listing Agreement entire in to with the Stock Exchange and as per SEBI LODR Regulations, 2015, the information relating to the Directors proposed to be appointed/re-appointed is provided hereunder:

Item No.2:

Mrs. V. Aravinda Rani, aged about 40 years, is a graduate in Mechanical Engineering from the prestigious GPREC Kurnool. An academician by profession now, she is the key founder member of Nandi academy, an international standards based school that offers all-round development of students through project based learning, adopting varied curriculum like Exceed, Multiple intelligence techniques etc with CBSE and IGCSE affiliations.

Mrs. V. Aravinda Rani also participates in the day-to-day operational and financial decisions in the Nandi Group of Companies.

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

Item No.3:

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.3 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.3 of the Notice.

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

S. SREEDHAR REDDY
Managing Director

Place: Nandyal
Date: 23rd October, 2019

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

63rd ANNUAL REPORT 2018-19**Details of Directors Seeking Appointment/Re-appointment at the Annual General Meeting:-**

Particulars	V. Aravinda Rani
Date of Birth	12-01-1979
Date of Appointment	13-08-2014
Qualifications	B. Tech
Expertise in specific functional areas	Academician by Profession
Directorships held in other companies (excluding foreign companies)	<ul style="list-style-type: none"> • Integrated Thermoplastics Pvt. Ltd. • Nandi Irrigation Systems Limited • Nandi PVC Products Private Limited • Sujala Feeds Private Limited • S.P.Y. Agro Industries Limited • Nandi Polymers India Private Ltd. • Anantha PVC Pipes Private Ltd (Part IX) • Nandi Water Containers Private Ltd. • Nandi Pipes Private Ltd. • Sreekanth Trading Private Ltd. • Monarch Water Containers Private Ltd • Sreekanth Pipes Private Limited (Part IX) • Nandi Pipes Hyderabad Private Ltd. • Telangana Pipes Private Limited • Sanj Feed Technologies Private Ltd.
Memberships/ Chairmanships of committees of other companies (includes only Audit Committee and Shareholders/ Investors Grievance Committee)	Nil
Number of shares held in the Company	1073081

PANYAM CEMENTS & MINERAL INDUSTRIES LIMITED**DIRECTORS' REPORT :**

To
Dear Members

Your Directors have pleasure in presenting the 63rd Annual Report and Audited Statements of Accounts for the year ended 31st March, 2019:

FINANCIAL RESULTS:

Particulars	(Rs. in lakhs)	
	Year ended 31 st March 2019	Year ended 31 st March 2018
Revenue from Operations	6943.61	17454.86
Other Income	1284.84	1583.33
Total Revenue	<u>8228.45</u>	<u>19038.19</u>
Profit before Interest and Depreciation	(-) 1666.94	1155.97
Less: Interest and Finance charges	4164.69	3389.69
Less: Depreciation and Amortisation	802.00	936.28
Profit / (Loss) before Exceptional Items and Tax	(-) 6633.63	(-)3170.00
Add Exceptional Items on transfer of Wire Division Land	137.10	26.24
Property under Joint Development Agreement		
Profit / Loss (-) before tax	(-) 6496.53	(-)3143.76
Less Provision for Income Tax (Earlier years)	242.77	-
Net Loss after tax	(-) 6739.30	(-)3143.76
Net gains / (Loss) on FVTOCI equity securities	(-) 1.04	70.79
Total Comprehensive Income for the period (TCI)	(-) 6740.34	(-) 3072.97

OPERATIONS:

The company has produced 1,91,335 M.Tonnes of cement during the year 2018-19, as against 4,58,469 M. Tonnes produced during the previous year. The company has stopped operations at the plant from December, 2018, due to severe working capital constraints. 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. 8829.16 lakhs as against Rs. 21219.08 lakhs in the previous year. The Net Loss after tax for the year was Rs.6739.30 lakhs as against Net Loss of Rs. 3143.76 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 construction of all the ten blocks of the apartment, The land owner's share of 15 apartments are pending for registration of sale deeds.

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, due to non-operation of the plant and paucity of funds.

The Close Circuit System for Cement Mills is under implementation, which will reduce the power consumption and improve the Quality. However, this implementation is currently paused due to shortage of funds.

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, 2019.

INSURANCE:

The assets of the Company are adequately insured.

CURRENT YEAR PROSPECTS:

As earlier mentioned, the operations of the Company have been stopped due to working capital constraints. The management has been continuously putting its efforts to raise additional capital in the Company and also seek requisite waivers/reliefs from the Central/State Governments.

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:

Regarding Qualified Opinion:

- a) The statutory auditors have opined, that a material uncertainty exists that may cast significant doubt on the entity's ability to continue as a going concern., due to default in repaying borrowings that were due during the year, the company has been unable to conclude renegotiations or obtain replacement financing and there are arrears of statutory dues. The Board believes that the management has been continuously putting its efforts to revive the operations of the Company and also raise money either in the form of additional borrowings or additional capital in order to meet and fulfil its financial obligations in a phased manner. The Board hopes that the management efforts would yield results either during the last quarter of current financial year 2019-20 or during the next financial year 2020-21.
- b) The comment made by auditors with respect to the treatment of investment made by the Company in equity shares of M/s. S.P.Y Agro Industries Limited is not accounted as per Ind-AS 28 "Investments in Associates and Joint Ventures" for the reason that there is no significant influences over M/s.S.P.Y.Agro Industries Limited as disclosed under Note 4 (a) of financial statements, which is self explanatory.
- c) As regards non-provision of gratuity, superannuation and leave encashment liability on actuarial valuation as per Ind-AS19 Employee Benefits and it is provided on the retirement of employees on a consistent basis and the liability is not ascertained., which is self explanatory.
- d) As reported in the audit report, the Company has outstanding inter-corporate loans as at 31.3.2019 in its group or associate entities, the auditor's were unable to obtain audit evidence. There has been instances of no response or inadequate response due to lack of man power in those entities. The Board has advised the management team to look into the process and get the requisite confirmations from respective entities during the current financial year 2019-20.

COST AUDIT:

Cost Audit will not be applicable for the financial year

PANYAM CEMENTS & MINERAL INDUSTRIES LIMITED

2019-20, since the turnover of the company during the last financial year is below the statutory threshold as prescribed under the respective provisions of the Companies Act, 2013 and Cost Audit rules made thereunder.

SECRETARIAL AUDIT:

The Board has appointed M/s. GMVDR Associates, Practising Company Secretaries to conduct Secretarial Audit for the FY 2018-19. The Secretarial Audit Report for the financial year ended March 31, 2019 is annexed to this Report as Annexure II. The qualification/remarks made in the Secretarial Audit Report are self-explanatory.

DIRECTORS:

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

Sri V. Suresh Kumar and Sri V. Ramnath have resigned as Directors of the Company with effect from 30th March, 2019. The Board wishes to place on record its appreciation for the valuable services rendered by the said Directors.

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:

As of March 31, 2019, in accordance with the provisions of the Companies Act, 2013 and Listing Agreement with the Stock Exchange, Mr. S. Sreedhar Reddy, Managing Director, Mr. S. Nageswara Reddy, Chief Financial Officer and Mrs. Divya Yadav, Company Secretary have been designated as the KMPs of the Company.

MEETINGS OF THE BOARD

The Board of Directors of your company met six 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 during the year with the following members viz. Mr. S. Panduranga Rao, Mr. P. Jayarama Reddy and Mrs. V. Aravinda Rani. The Committee comprises of majority of independent Directors with Mr. S. Panduranga Rao 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 reconstituted the Corporate Social Responsibility ("CSR") Committee which is Chaired by Smt V Aravinda Rani. The other members of the Committee are Sri S. Sreedhar Reddy and Sri P. Jayarama Reddy. Your company also has in place a CSR Policy which is accessible on your Company's website: 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 inadequate net profits during the last three years, the company could not spend any amount on CSR activities during the year.

CORPORATE GOVERNANCE:

Your Directors reaffirm their continued commitment to good corporate governance practices. A separate report on Corporate Governance is incorporated as Annexure V 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 material 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.

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/Non-Convertible Debentures of the Company are listed on the BSE Limited and the annual listing fee is being paid.

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

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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 IV for the details of related party contracts or arrangements.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

Except S.P.Y Agro Industries Limited, an Associate Company, the Company is not having any Subsidiaries and Joint Ventures.

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, 2019 is given in Annexure III.

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 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. ARAVINDA RANI)
Director

(S. SREEDHAR REDDY)
Managing Director

Place:- Nandyal
Dated:- 23rd October, 2019.

ANNEXURE TO DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2019:

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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FORM 'A'				
FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY				
S.No.	Particulars	Unit	CEMENT DIVISION	
			31-03-2019	31-03-2018
A	POWER AND FUEL CONSUMPTION:			
1	ELECTRICITY			
a)	Purchased			
	UNITS	000KWH	26698	44426
	TOTAL AMOUNT	Rs. Lakhs	2044.99	3115.90
	AVERAGE RATE	Rs./KWH	7.65	7.01
b)	Own Generation			
	UNITS	000 KWH		-
	UNITS PER LITRE OF DIESEL	KWH		-
	COST PER UNIT	RUPEES		
2	COST(MINERAL COAL C-E/ IMPORTED GRADE)			
	Quantity	Tonnes	34594	53511
	Total Cost	Rs. Lakhs	2436.25	3445.51
	Average Rate	Rs. per MT	7042.44	6438.88
3	FURNACE OIL			
	QUANTITY	KILO LTS.		
	TOTAL COST	Rs. lakhs		
	AVERAGE RATE	RUPEES		
B	CONSUMPTION PER UNIT OF PRODUCTION			
	ELECTRICITY	KWH/tones of cement	119	97
	COAL	Kgs/tonnes of cement	181	117

FORM 'B'	
<p>A. RESEARCH AND DEVELOPMENT (R & D)</p> <p>1. Specific area in which R & D is carried out by the Company: 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.</p> <p>2. Benefits derived as a result of the above efforts The benefits will be arrived after completion of the these development works.</p>	<p>3. Future course of action: The Company has a system of continuously evaluating various production processes for up gradation</p> <p>4. Expenditure on R and D: No separate amount is incurred in respect of Research and Development.</p> <p>B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION: - Not applicable -</p>

SECRETARIAL AUDIT REPORT**ANNEXURE - II**

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 & 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 31.03.2019 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 31.03.2019, 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);

PANYAM CEMENTS & MINERAL INDUSTRIES LIMITED

(vi) The Company has stopped operations at the plant during the year under review. Hence, it is not possible to comment on the compliance of other laws applicable to the Company.

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 subject to the observations mentioned in the report.

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 till 29.03.2019.
- 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 till 29.01.2019.
- 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.

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;
- ii. The Company has stopped operations at the plant during the year under review
- iii. The Company has extended Loans to various related parties.

For GMVDR & Associates
Company Secretaries

Place: Hyderabad
Date: 10.09.2019

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

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

FORM NO. MGT. 9**ANNEXURE - III****EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31.03.2019

[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	100

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.	S.P.Y. Agro Industries Limited 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
A. Promoters										
(1) Indian	8873229	500	8873729	52.63	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..										
Sub-total (A) (1):-	8873229	500	8873729	52.63	8873229	500	8873729	52.63	0	0
(2) Foreign										
a) NRIs - Individuals										
b) Other - Individuals										
c) Bodies Corp.										
d) Banks / FI										
e) Any Other....										
Sub-total (A) (2):-	8873229	500	8873729	52.63	8873229	500	8873729	52.63	0	0
Total shareholding of Promoter (A)=(A)(1)+(A)(2)										
B. Public Shareholding										
1. Institutions										
a) Mutual Funds	600	0	600	0.00	600	0	600	0.00		
b) Banks/FI	0	55280	55280	0.33	0	55280	55280	0.33		
c) Central Govt										
d) State Govt(s)										
e) Venture Capital Funds										
f) Insurance Companies	57260	850	58110	0.35	57260	850	58110	0.35		
g) FIIs	0	0	0	0	0	0	0	0	0	
h) Foreign Venture Capital Funds										
i) Foreign Portfolio Investors	0	678663	678663	4.02	0	678663	678663	4.02		
i) Others (specify)										
Sub-total (B)(1):-	57860	734793	792653	4.70	57860	734793	792653	4.70	0	0
2. Non-Institutions										
a) Bodies Corp.										
i) Indian	1003526	179457	1182983	7.01	596046	179407	775453	4.60	(407530)	(52.55)
ii) Overseas										
b) Individuals										
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	3001781	354860	3356641	19.91	3000099	333750	3335849	19.79	(20792)	(0.62)
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	2521202	0	2521202	14.95	2565080	0	2565080	15.22	43878	1.71
c) Others (specify)										
NRI	86742	310	87052	0.52	506649	310	506959	3.00	419907	82.82
Bodies (Clearing members)	46939	0	46939	0.28	11476	0	11476	0.06	(35463)	(309.00)
Sub-total (B)(2):-	6660190	534627	7194817	42.67	6679350	515467	7194817	42.67	0	0
Total Public Shareholding (B) = (B)(1) + (B)(2)	6718050	1269420	7987470	47.37	6737210	1250260	7987470	47.37	0	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	15591279	1269920	16861199	100	15610439	1250760	16861199	100	0	0

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	10.27	100	1731404	10.27	100	0
2	S.Sreedhar Reddy	2076007	12.31	99.98	2076007	12.31	99.98	0
3	V.Suresh Kumar	1878102	11.34	100	1878102	11.34	100	0
4	S.Sujala	1142774	6.78	100	1142774	6.78	100	0
5	V.Aravinda Rani	1073081	6.36	100	1073081	6.36	100	0
6	S.Parvathi	971861	5.76	100	971861	5.76	100	0
7	Francis Reddy	500	0.00	0	500	0.00	0	0
	Total	8873729	52.63	99.99	8873729	52.63	99.99	0

(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	10.27		
	End of the Year			1731404	10.27
2	S. Sreedhar Reddy				
	Beginning of the Year	2076007	12.31		
	End of the Year			2076007	12.31
3	V. Suresh Kumar				
	Beginning of the Year	1878102	11.14		
	End of the Year			1878102	11.14
4	S. Sujala				
	Beginning of the Year	1142774	6.78		
	End of the Year			1142774	6.78
5	V. Aravinda Rani				
	Beginning of the Year	1073081	6.36		
	End of the Year			1073081	6.36
6	S. Parvathi				
	Beginning of the Year	971861	5.76		
	End of the Year			971861	5.76

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(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	2.59
2	Porinju V Veliyath	200000	1.25	200000	1.19
3	Jaideep Sampat	66129	0.41	236129	1.40
4	Rajasthan Global Securities Pvt Ltd	384812	2.40	147787	0.88
5	Mahendra Girdharilal	98330	0.61	141905	0.84
6	Raj Kumar Lohia	6680	0.04	118680	0.70
7	Ashish Chugh	97494	0.61	110494	0.66
8	Kamal Kishore Jawari	52000	0.32	88545	0.53
9	L Rama Devi	73300	0.46	73300	0.43
10	T Arun Kumar	60000	0.37	60000	0.36

(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 Beginning of the Year	2076007	12.31	0		0	0
	End of the Year 31.03.2018					2076007	12.31
2	V. Suresh Kumar Beginning of the Year	1878102	11.14	0	0	0	0
	End of the Year					1878102	11.14
3	V. Aravinda Rani Beginning of the Year	1073081	6.36	0	0	0	0
	End of the Year					1073081	6.36
4	Dr. R.K Prasad Sunkara End of the Year	135	0	0	0	0	0
						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	9780.00	0	0	9780.00
ii) Interest due but not paid	1026.42	0	0	1026.42
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	10806.42	0	0	10806.42
Change in Indebtedness during the financial year				
• Addition	1771.96	0	0	1771.96
• Reduction	0	0	0	0
Net Change	1771.96	0	0	1771.96
Indebtedness at the end of the financial year				
i) Principal Amount	9780.00	0	0	9780.00
ii) Interest due but not paid	2798.38	0	0	2798.38
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	12578.38	0	0	12578.38

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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. Aravinda Rani	S. Rama Krishana Prasad			
	• 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	Divya Yadav, 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	--	--	
	Total	10,80,000		10,80,000

(*) Appointed as Company Secretary with effect from March 30, 2019

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)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

FORM No. AOC-2

ANNEXURE - IV

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. 972840		
S.P.Y. Agro Industries Limited	Purchase/sale of material	12 months	Sale Rs. 9000	04-06-2018	

CORPORATE GOVERNANCE REPORT:**ANNEXURE - V****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 2018-19, 6 (six only) Board Meetings were convened on 30th May, 2018; 4th June, 2018; 13th August, 2018; 13th November, 2018; 14th February, 2019 and 30th March, 2019. 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	06	Yes	14	1
2	Sri V. Suresh Kumar	Promoter-Director	06	Yes	6	-
3	Sri V. Ramnath	Independent-Non-Executive Director	01	No	5	-
4	Dr. R.K. Prasad Sunkara	NRI - Non-Executive Director	01	No	-	-
5.	Smt. V. Aravinda Rani	Director	06	Yes	15	2
6	Sri P.J. Reddy	Independent Director	06	Yes	-	1
7	Sri S. Panduranga Rao	Independent Director	03	No	-	3

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. 4th June, 2018; 13th August, 2018; 13th November, 2018 and 14th February, 2019.

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	4	4
2.	Sri V. Ramnath	4	1
3.	Sri S.P. Rao	4	3

The Audit Committee has been reconstituted with Sri. S. Panduranga Rao, Sri. P. Jayarama Reddy and Smt. V. Aravinda Rani Directors of the Company with Sri. S. Panduranga Rao as Chairman of the Committee on March 30, 2019.

4) Remuneration Committee and Policy:

The Remuneration Committee's composition and in terms of reference are in compliance with the provisions of Section 178 of the Companies Act, 2013. The Remuneration Committee has been reconstituted with Sri. S. Panduranga Rao, Sri. P. Jayaram Reddy and Smt. V. Aravinda Rani, Directors of the Company as members of the Committee, with Sri. S. Panduranga Rao as Chairman on March 30, 2019.

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, 2019:**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 2018-19, the Committee met 11 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	11	06
2	Smt. V. Aravinda Rani	11	06
3	Sri P.J. Reddy	11	05
4	Sri S.P. Rao	11	05

B. Shareholders/Investors' Grievance Committee:

The Shareholders / Investors' Grievance Committee was reconstituted with Sri S. Panduranga Rao, Sri. P. Jayarama Reddy and Smt.V. Aravinda Rani Directors of the Company with Smt. V. Aravinda Rani as Chairman of the Committee on March 30, 2019.

6) Annual General Meetings:

The last three Annual General Meetings were held as under:

Year	Location	Date	Time
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.
2018	Registered Office C-1, Industrial Estate, Nandyal, Kurnool Dst., A.P.	31.12.2018	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) 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 | 30th November, 2019 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 2018 to 31st March 2019 |
| Financial Reporting Un-audited | |
| For the quarter ending June 30, 2018 | Second week of August 2019 |
| For the quarter ending Sept.30, 2018 | Second week of November 2019 |
| For the quarter ending December 31, 2018 | Second week of February 2020 |
| For the quarter ending March 31 2019 (audited) | Last week of May 2020 |
| Annual General Meeting for the year ending 31st March, 2019. | 30th, November 2019 at 11.45 A.M. |
| v) Date of Book Closure (both days inclusive) | From 25-11-2019 to 30-11-2019 (both inclusive) |
| vi) Dividend payment date | N.A. |
| vii) Listing on Stock Exchanges | The Company's shares are listed on:
BSE Limited
Floor 25, Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai - 400 001.

Listing fee is being paid to the said Stock Exchange.

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 2018	90.05	77.00
May 2018	88.00	70.25
June 2018	66.90	56.20
July 2018	75.00	59.35
August 2018	66.90	54.10
September 2018	64.45	54.65
October 2018	72.90	53.25
November 2018	73.00	62.00
December 2018	68.80	54.00
January 2019	69.35	56.00
February 2019	59.45	46.00
March 2019	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 31st March 2019:

Nominal Value of Shares	No. of Shares Holders	Percentage of Share Holders	Shares Amount in Rs.	Percentage of Share Holders %
UPTO - 5000	6591	81.85	8989210	5.57
5001 - 10000	616	7.65	5139650	3.21
10001 - 20000	392	4.87	5968420	3.73
20001 - 30000	138	1.71	3579710	2.23
30001 - 40000	67	0.83	2430910	1.52
40001 - 50000	53	0.66	2519130	1.57
50001 - 100000	102	1.27	7232010	4.51
100001 & above	94	1.17	124382350	77.65*
TOTAL	8380	100.00	168611990	100.00

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 2019.

<u>Category</u>	<u>No. of Shares</u>	<u>% of shareholding</u>
A Promoter's holding		
1 Promoters : Indian Promoters	6797722	40.32
Foreign Promoters	-	-
2 Persons acting in concert	2076007	12.31
Sub Total	<u>8873729</u>	<u>52.63</u>
B Non-Promoters holding		
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	0.35
C FIIS		
D Foreign Portfolio Investors	55280	0.33
Sub Total	<u>678663</u>	<u>4.02</u>
4 Others		
A Private Corporate Bodies	775453	4.60
B Indian Public	5900929	35.00
C NRIs/OCBs	506959	3.00
D Any Other(Please Specify)	11476	0.07
Sub Total	<u>7194276</u>	<u>42.67</u>
Grand Total	<u>16861199</u>	<u>100</u>
Note: Total foreign shareholdings:	<u>1185622</u>	<u>7.03</u>

11 Dematerialization of Shares and Liquidity:

As on 31st March, 2019, 97.45% Equity Shares have been dematerialized.

(This excludes the shares allotted to EW India Special Assets Fund Pte Limited and ECap Equities Limited which are pending with BSE for listing approval).

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 2018-19, the company had received requests for de-materialization 19160 shares. The Company has acted upon all valid requests received for dematerialization during 2018-19.

As on 31st March, 2019, no requests were pending for demat confirmation.

12) Plant Locations:

Registered Office	:	C-1 Industrial Estate, Bommalasatram, Nandyal, Kurnool District, Andhra Pradesh Telephone No. : 08514-222274 Website : www.panyamcements.com Email ID : regoffice @panyamcements.com
Cement Work	:	Cement Nagar 518 206 Kurnool District, Andhra Pradesh Telephone No. : 08516 - 274638 Fax : 08516 - 274644 Email ID : pcmil@panyamcements.com
Central Administrative Office	:	Plot No.188, Kamalapuri Colony Phase II, Hyderabad - 500 073. Telangana Telephone No. : 040-23555317 Fax No. : 040-23555316 Email ID : caohyd@panyamcements.com

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

India's cement demand remained positive for most of FY 2019, 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 2018-19 on the rolls of the Company is 578 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, 2019 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:- 23rd October, 2019.

(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, 2019, 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)
Dated:- 23rd October, 2019.

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 Audit of Financial Statements

Qualified Opinion

We have audited the financial statements of Panyam Cements & Minerals Industries Limited ("the Company"), which comprise the balance sheet as at 31st March, 2019, the statement of profit and loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, **except for the effects of the matter described in the Basis for Qualified Opinion section of our report**, the aforesaid financial statements 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 31st March, 2019, and its loss, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

- a) The Company has defaulted in repaying borrowings that were due during the year as mentioned in the Note 14(c), the Company has been unable to conclude renegotiations or obtain replacement financing and there are arrears of statutory dues as mentioned in Annexure "B" to this report. Also, the operational activities of the Company have been suspended from December 2018.

The above situations indicate that a 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.

- b) 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.
- c) 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.
- d) The Company has outstanding inter-corporate loans as at 31st March, 2019. We were unable to obtain sufficient appropriate audit evidence about the carrying amount of inter-corporate loans as at 31st March, 2019. We were unable to confirm or verify by alternative means accounts receivable against inter-corporate loans included in the Balance Sheet as at 31st March, 2019. As a result of these matters, we were unable to determine whether any adjustments might have been found necessary in respect of recorded or unrecorded inter-corporate loans receivable.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Except for the matter described in the Basis for Qualified Opinion section, we have determined that there are no other key audit matters to communicate in our report.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We were unable to obtain sufficient appropriate evidences about the matters as described in the Basis for Qualified Opinion section above. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

Responsibilities of Management and those charged with governance for the financial statements

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these 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 accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of Financial Statement

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

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1 As required by Section 143(3) of the Act, we report that:

- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) 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;
- c) 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;
- d) in our opinion, the aforesaid IndAS Financial Statements comply with the Accounting Standards prescribed under section 133 of the Act, except the IndAS 19 Employee benefits;
- e) on the basis of the written representations received from the directors of the Company as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act;
- f) 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;
- g) with respect to the other matters to be included in the Auditor's report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.

- h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i) the company has disclosed the impact of pending litigations on in its IndAS Financial Statements - Refer Note No.27 to the IndAS financial statements;
 - ii) the company did not have any long-term contracts including derivative contracts; as such there were no material foreseeable losses thereon;
 - iii) 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.
2. 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
Partner
M.No. 029193

Place: Nandyal
Date: 06th June, 2019

PANYAM CEMENTS & MINERAL INDUSTRIES LIMITED

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 31st March, 2019 in conjunction with our audit of the 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 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 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 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 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 31st March, 2019, 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: 06th June, 2019

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 to the members of M/s Panyam Cements and Mineral Industries Limited)

Statement on the Companies (Auditor's report) Order, 2016

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

- 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 31st March, 2019 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, Goods and Services 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, 2019 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.

PANYAM CEMENTS & MINERAL INDUSTRIES LIMITED

Statement of arrears of statutory dues outstanding as at 31st March, 2019 for more than six months:

Sl. No.	Name of the Statute	Nature of dues	Amount (Rs. Lakhs)	Period to which the Amount relates
1	A.P.VAT Act, 2005 -----do-----	Value Added Tax and Interest	864.98	July 2012 to June 2017
		Interest/Penalties on VAT/CST	303.86	2011-12 to 2015-16
2	Telangana VAT Act, 2005	Value Added Tax	88.08	upto June 2017
3	CST Act, 1956	Central Sales Tax	1.89	2010-11
			5.45	2011-12
			4.00	March 2009
			13.54	2011-12
			117.00	2014-15
			119.70	2016-17
	Consignment Tax	0.44	2011-12	
4	Profession Tax Act	Profession Tax Collections	1.00	October 2000 to August 2005
5	Income Tax Act, 1961	I.T.D.S from Interest payments	166.57	2004-05 to 2005-06, 2013-14, Apr. 2015 to Aug 2018
		I.T.D.S from Professional Fees	29.13	2015-16, Apr 2017 to Aug 2018
		I.T.D.S from Commission	2.12	April 2017 to Aug 2018
		I.T.D.S from Contractors	61.31	2004-05 & Apr 2013 to August 2018
		I.T.D.S from Salaries	3.24	April 2017 to August 2018
		T.C.S. on Royalty	51.68	July 2010 to August 2018
6	Income Tax Act, 1961	Income Tax	0.32	2011-12
			95.50	2013-14
			166.58	2016-17
			152.97	2017-18
7	Employees Provident Fund & Miscellaneous Provisions Act, 1952	P.F. Recoveries and contributions	316.40	April 2005 to August 2018
		PF Penal damages	75.70	Upto 2005.
8	The Central Excise Act 1944	Excise Duty & Cess	1454.13	May 2016 to June 2017
9	The Finance Act-1994	Service Tax & Cess	241.68	upto June 2017
10	Panchayat Tax Act	Property Tax	7.78	2004-2005 and upto Aug 2018
11	Mines and Minerals (Development and Regulation) Act, 1957	Royalty on Limestone	1112.07	Upto August 2018
		DME/NME	327.57	Upto Aug 2018
		Cess on Royalty	76.26	Upto August 2018
		Welfare Cess on Limestone	7.90	Upto March 2016.
12	Non Agricultural Land Assessment Act, 1963	Non Agriculture Land Tax and Dead Rent/Cess	2.92	1999-2000
13	Goods and Services Tax Act, 2017	G.S.T	1675.18	Dec 17 to Aug 18

(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	53.06	Dec. 2006 to Aug. 2008	Commissioner, Tirupathi
6	-do-	CENVAT credit availed on service tax paid on outward freight	48.06	April. 2009 to Dec. 2010	Commissioner, Tirupathi
7	-do-	Differential Duty on D.G.Set	10.24	2004-05	A.P. High Court
8	-do-	Differential duty on supplies made to direct parties and Government	1351.78	April 2012 to June 2017	Commissioner, Tirupathi
9	-do-	Differential duty on high seas imported coal	34.32	Aug. 2012	CESTAT, Hyderabad
10	-do-	Differential Duty on Supplies made to Direct Parties and Government	86.45	Apr. 2006 to Mar 2008	Supreme Court of India
11	-do-	Interest and penalty upto 31.05.2018 on belated payments of Excise Duty	2449.70	July 2012- June 2017	High Court of A.P. Amaravathi
12	Income Tax Act, 1961	Disallowance of Interest on borrowed loans	174.89	F.Y. 2009-10	Commissioner of Income Tax Appeals, Kurnool

PANYAM CEMENTS & MINERAL INDUSTRIES LIMITED

Sl. No.	Name of the Statute	Nature of dues	Amount (Rs. Lakhs)	Period to which the amount relates	Forum where dispute is pending
13	Mines and Minerals (Development and Regulation) Act, 1957	Penal Interest on Royalty dues Upto 31.03.2018.	1848.86	1991-92 to 2017-18	High Court of A.P. Amaravathi
14	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
15	The Electricity Act, 2003	Voltage Surcharge	30.64	Sept.1983 to Nov 1984	High Court of A.P.

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, Banks and to debenture holders as at 31st March, 2019. 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 31.03.2019			Paid in Subsequent year	Period of Default
		Principal	Interest	Total		
1.	India Infoline Finance Ltd (IIFL)	11.62	2.25	13.87	3.59	Jan19 to Mar 2019
2.	IKF Finance Limited	24.70	--	24.70	-Nil-	Nov '18 & Dec 18
3.	State Bank of India, Cash Credit Loan- Nandyal	--	336.20	336.20	-Nil-	May '18 to Mar 19
	State Bank of India, Cash Credit Loan- Hyd.	--	55.88	55.88	-Nil-	Oct. '18 to Mar 19
	TOTAL	36.32	394.33	430.65	3.59	

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

(Rupees in Lakhs)

S.No.	Name of the Bank / Financial Institutions / Debentures Holders	Amount of default as at 31.03.2019		Paid in Subsequent year	Period of Default
		Principal	Interest		
1.	EW India Special Assets Fund Pte Ltd	1180.50	2236.86	Nil	Principal dues from Q/E Aug 18, Nov 18 & Feb 19 Interest dues from Oct 2017 to March 2019
2.	E-Cap Equities Ltd	286.50	561.53	Nil	Principal dues from Q/E Aug 18, Nov 18 & Feb 19 Interest dues from Nov 2017 to March 2019
TOTAL		1467.00	2798.39	Nil	

- ix) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and have not raised funds by way of term loans 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 of 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.
- 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
Partner
M.No. 029193

Place: Nandyal
Date: 06th June, 2019

PANYAM CEMENTS & MINERAL INDUSTRIES LIMITED

Balance sheet as at 31 st March, 2019		(Rupees in Lakhs)		
	Particulars	Note No.	As at 31st March 2019	As at 31st March 2018
ASSETS				
Non-current assets				
	Property, Plant and Equipment	3	7,358.01	8,073.76
	Capital work-in-progress	3	2,315.66	2,393.54
Financial assets				
	- Investments	4(a)	3,208.20	3,209.24
	- Loans	4(b)	6,768.65	5,670.69
	- Other financial assets	4(c)	671.31	586.53
	Other non-current assets	5	1,683.72	1,684.05
	Total Non-current assets		22,005.55	21,617.81
Current assets				
	Inventories	6	1,079.83	1,748.77
Financial assets				
	- Trade receivables	7(a)	2,366.31	2,722.86
	- Cash and cash equivalents	7(b)	12.71	39.31
	- Bank balances other than Cash and cash equivalents	7(c)	41.93	34.23
	- Loans	7(d)	2,642.05	2,307.47
	- Other financial assets	7(e)	202.18	218.06
	Other current assets	8	721.00	445.55
	Current tax asset (Net)	9	-	30.87
	Total Current assets		7,066.01	7,547.12
	TOTAL ASSETS		29,071.56	29,164.93
EQUITY AND LIABILITIES				
Equity				
	Equity Share capital	10(a)	1,686.42	1,686.42
	Other equity	10(b)	(9,793.59)	(3,053.25)
	Total Equity		(8,107.17)	(1,366.83)
Liabilities				
Non-current liabilities				
Financial liabilities				
	- Borrowings	11(a)	5,575.54	8,219.81
	- Other financial liabilities	11(b)	2,874.18	2,085.37
	Deferred tax liabilities (Net)	12	-	-
	Other non-current liabilities	13	345.08	491.86
	Total Non-current liabilities		8,794.80	10,797.04
Current liabilities				
Financial liabilities				
	- Borrowings	14(a)	2,774.17	2,444.69
	- Trade payables	14(b)	3,004.70	2,445.95
	- Total outstanding dues of micro enterprises and small enterprises (Refer Note No. 28)		-	-
	- Total outstanding dues of creditors other than micro enterprises and small enterprises (Refer Note No. 28)		-	-
	- Other Current financial liabilities	14(c)	14,038.95	7,024.09
	Other current liabilities	15	8,257.35	7,819.99
	Current tax liability (Net)	9	308.76	-
	Total Current liabilities		28,383.93	19,734.72
	TOTAL EQUITY AND LIABILITIES		29,071.56	29,164.93

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: 06th June, 2019

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

V. ARAVINDA RANI
 Director

S. SREEDHAR REDDY
 Managing Director

S. NAGESWARA REDDY
 Chief Financial Officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 st MARCH, 2019			Rupees in Lakhs	
	Particulars	Note No.	Current Year	Previous Year
I	Revenue from operations	16	6,943.61	17,454.86
II	Other income	17	1,284.84	1,583.33
III	Total revenue (I+II)		8,228.45	19,038.19
IV	Expenses			
	a) Cost of materials consumed	18	1,407.05	4,732.04
	b) Purchase of stock-in-trade		-	-
	c) Changes in inventories of finished goods, work in progress and stock-in-trade	19	263.46	371.01
	d) Excise duty on sale of goods		-	848.30
	e) Employee benefit expense	20	1,205.89	1,483.22
	f) Finance Cost	21	4,164.69	3,389.69
	g) Depreciation and amortisation expense	3	802.00	936.28
	h) Power and fuel		4,481.24	6,561.41
	i) Other expenses	22	2,537.75	3,886.24
	Total expenses (IV)		14,862.08	22,208.19
V	Profit/ (loss) before exceptional items and tax (III-IV)		(6,633.63)	(3,170.00)
VI	Exceptional items	23	137.10	26.24
VII	Profit/ (loss) before tax expenses (V+VI)		(6,496.53)	(3,143.76)
	Tax expenses:	24		
	Current tax		-	-
	Deferred tax		-	-
	Earlier years income tax		242.77	-
VIII	Total Tax expenses		242.77	-
IX	Profit/(loss) for the period (VII-VIII)		(6,739.30)	(3,143.76)
X	Other comprehensive income	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)		(1.04)	70.79
XI	Total comprehensive income for the period (IX+X)		(6,740.34)	(3,072.97)
	Earnings Per Equity Share(Face Value Rs.10 each)	26		
	Basic		(39.97)	(18.65)
	Diluted		(39.97)	(18.65)

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

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For and on behalf of the Board
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PANYAM CEMENTS & MINERAL INDUSTRIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31st 2019		Rupees in Lakhs
	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Cash flow from operating activities		
Profit before tax from continuing operations	(6,496.52)	(3,143.76)
Profit before tax	(6,496.52)	(3,143.76)
<i>Non-cash adjustment to reconcile profit before tax to net cash flows</i>		
Depreciation and amortisation expenses	802.00	936.28
Interest income	(1,255.67)	(1,409.17)
Allowance for expected credit loss on trade receivables	267.95	20.42
Dividend income on investments made	(0.10)	(0.12)
Interest expenses	3,341.88	2,449.83
Interest expense due to amortisation of processing fees	40.41	44.87
Interest expense due to amortisation of NCDs	782.40	894.99
Operating profit before working capital changes	(2,517.65)	(206.67)
Working capital adjustments:		
(Decrease)/Increase in trade payables	558.75	(81.08)
(Decrease)/Increase in other current liabilities	437.36	176.37
(Decrease)/Increase in other non-current liabilities	(146.78)	269.86
(Increase)/Decrease in trade receivables	88.60	(188.32)
(Increase)/Decrease in inventories	668.93	727.33
(Increase)/Decrease in financial assets	(1,082.08)	562.77
(Decrease)/Increase in financial liabilities	7,021.27	2,605.27
(Increase)/Decrease in other current assets	(275.45)	235.73
(Increase)/Decrease in other non-current assets	0.33	(399.22)
Cash generated from operating activities	4,753.29	3,702.04
Direct taxes paid (net)	96.86	(224.11)
Net cash flow from operating activities (A)	4,850.15	3,477.92
Cash flows from investing activities		
Purchase of fixed assets, including CWIP	(8.36)	(851.42)
Dividend received	0.10	0.12
Deposits/margin money deposit matured/(placed) during the year	(7.70)	99.37
Net cash flow from/(used in) investing activities (B)	(15.96)	(751.93)
Cash flows from financing activities		
Interest paid	(3,341.88)	(2,449.83)
Interest received	1,255.67	1,409.17
(Repayment)/Proceeds from long term borrowings	(2,684.68)	(1,576.35)
(Repayment)/Proceeds from short term borrowings	329.48	23.63
Loans and advances paid to related parties	(419.36)	(151.09)
Net cash flow from/ (used in) in financing activities (C)	(4,860.77)	(2,744.47)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(26.59)	(18.48)
Cash and cash equivalents at the beginning of the year	39.31	57.78
Cash and cash equivalents at the end of the year	12.72	39.31
Components of cash and cash equivalents		
Cash on hand	12.71	39.31
Total cash and cash equivalents (Note 8(b))	12.71	39.31

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

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

CA P. GOVARDHANA REDDY
Partner
Membership No. 029193
Place: Nandyal
Date: 06th June, 2019

V. ARAVINDA RANI
Director

S. SREEDHAR REDDY
Managing Director

S. NAGESWARA REDDY
Chief Financial Officer

Statement of changes in Equity for the year ended March 31st, 2019**(Rupees in Lakhs)**

a. Equity share capital	Note	Amount
As at 31st March, 2017		1,602.11
Changes in equity share capital during the year	10(a)	84.31
As at 31st March, 2018		1,686.42
Changes in equity share capital during the year	10(a)	-
As at 31st March, 2019		1,686.42

(Rupees in Lakhs)

b. Other Equity		Reserves and Surplus			Items of Other Comprehensive income	Money received against share warrants	Total other equity
Particulars	Note	Securities premium reserve	Capital redemption reserve	Retained earnings	FVOCI - equity instruments		
Balance at 31st March, 2017	10 (b)	941.56	74.19	237.36	(1,862.40)	713.31	104.03
Changes in equity for the period ended 31st, March 2018							
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)
Balance at 31st March, 2018		1,570.57	74.19	(2,906.40)	(1,791.61)	-	(3,053.25)
Changes in equity for the period ended 31st, March 2019							
Equity instruments through other comprehensive income	10 (b) (iv)	-	-	-	(1.04)	-	(1.04)
Profit for the year	10 (b) (iii)	-	-	(6,739.30)	-	-	(6,739.30)
Balance at 31st March, 2019		1,570.57	74.19	(9,645.70)	(1,792.65)	-	(9,793.59)

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. ARAVINDA RANI
 Director

S. SREEDHAR REDDY
 Managing Director

S. NAGESWARA REDDY
 Chief Financial Officer

Place: Nandyal
 Date: 06th June, 2019

PANYAM CEMENTS & MINERAL INDUSTRIES LIMITED

Notes to financial statements for the year ended 31st March 2019

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, 2019 were approved by the Board of Directors for issue on 06th June, 2019.

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, Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019.

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 judgments

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.

The estimates and judgments 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 judgments 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 asunder 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 60years 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.

PANYAM CEMENTS & MINERAL INDUSTRIES LIMITED

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. 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 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. 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 analyzed.

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 de-recognised 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 de recognition 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.

PANYAM CEMENTS & MINERAL INDUSTRIES LIMITED

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.

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

Effective 1st April, 2018 the Company has applied Ind AS 115: Revenue from Contracts with Customers which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised.

Ind AS 115 replaces Ind AS 18 Revenue. The impact of the adoption of the standard on the financial statements of the Company is insignificant.

Revenue from sale of goods is recognised when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations.

The Performance Obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.

Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc.

Accumulated experience is used to estimate the provision for such discounts and rebates.

Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

Our customers have the contractual right to return goods only when authorised by the Company. An estimate is made of goods that will be returned and a liability is recognised for this amount using a best estimate based on accumulated experience.

Income from services rendered is recognised based on agreements/arrangements with the customers as the service is performed and there are no unfulfilled obligations.

Interest income is recognized using the effective interest rate (EIR) method.

Dividend income on investments is recognised when the right to receive dividend is established.

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.

Revenue recognition:

The Company applies judgement to determine whether each product or services promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised product or services are combined and accounted as a single performance obligation. The Company allocates the arrangement consideration to separately identifiable performance obligation deliverables based on their relative stand-alone selling price. Because the financial reporting of these contracts depends on estimates that are assessed continually during the term of these contracts, recognized revenue and profit are subject to revisions as the contract progresses to completion.

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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 judgment:

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 judgment and the use of estimates regarding the outcome of future events.

S. Recent accounting pronouncements

In March 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019, notifying Ind AS 116 'Leases' and amendments to certain IND AS. The Standard / amendments are applicable to the Company with effect from 1st April 2019.

The Company doesn't have any leases as on 31st March, 2019 and hence Ind AS 116 will not be applicable for the Company.

Notes to financial statements for the year ended 31st March, 2019
Note No. 3 Property, Plant & Equipment

S. No.	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK			
		As at 31st March 2017	Additions during the Year	Deductions during the Year	As at 31st March 2018	Additions during the Year	Deductions during the Year	As at 31st March 2019	For the Year 2017-18	For the Year 2018-19	Deductions during the Year	As at 31st March 2019	As at 31st March 2018
1	Freehold Land	4.18	-	-	4.18	-	-	-	-	-	-	4.18	4.18
2	Buildings - Factory	571.04	58.91	-	629.95	338.51	24.28	26.55	362.80	26.55	-	389.34	240.61
3	Building-residential & Non Factory	130.73	-	-	130.73	111.28	0.97	0.92	112.25	0.92	-	113.18	17.56
4	Building-others (temporary)	7.52	-	-	7.52	7.52	-	-	7.52	-	-	7.52	-
5	Roads, culverts and Bridges	35.74	-	-	35.74	24.52	2.91	1.95	27.43	1.95	-	29.38	6.36
6	Wells and Water Works	54.51	-	-	54.51	51.82	-	-	51.82	-	-	51.82	2.69
7	Plant and Machinery-Continuous Process	9,942.25	95.93	-	10,038.17	79.89	301.46	279.10	4,754.15	279.10	-	5,033.24	5,084.82
8	Plant and Machinery-Power Generation	340.69	-	-	340.69	325.81	-	-	325.81	-	-	325.81	14.89
9	Plant and Machinery-Others	131.94	-	-	131.94	85.34	8.96	6.68	94.30	6.68	-	100.98	30.96
10	Plant and Machinery-Electrical Equipments	233.33	-	-	233.33	225.25	-	-	225.25	-	-	225.25	8.08
11	Plant and Machinery-Others	2.54	-	-	2.54	1.37	0.18	0.15	1.55	0.15	-	1.70	0.84
12	Plant and Machinery-Others	924.45	98.41	-	1,022.86	363.81	123.11	108.55	486.92	108.55	-	595.48	430.55
13	Electrical Installation	64.53	-	-	64.53	64.12	-	-	64.12	-	-	64.12	0.41
14	Telephone Installations	5.53	-	-	5.53	4.97	0.12	0.08	5.09	0.08	-	5.17	0.36
15	Railway Siding and Weigh Bridge	1,671.08	71.47	-	1,742.56	87.05	289.97	247.12	377.02	247.12	-	624.14	1,118.42
16	Ropeway	136.07	-	-	136.07	108.39	8.25	5.78	116.64	5.78	-	122.42	13.65
17	Quarry Equipment	2,125.40	-	-	2,125.40	1,551.72	157.90	107.24	1,709.62	107.24	-	1,816.87	308.53
18	Workshop Equipment	6.58	-	-	6.58	6.49	-	-	6.49	-	-	6.49	0.08
19	Laboratory Equipment	7.30	41.79	-	49.09	6.69	2.86	11.19	9.54	11.19	-	20.73	30.61
20	Mining Lease and Mineral Prospect	2.18	-	-	2.18	2.16	-	-	2.16	-	-	2.16	0.02
21	Computers	90.21	0.45	-	90.66	84.35	1.81	0.36	86.16	0.36	-	86.53	4.13
22	Office Equipments	59.08	-	-	59.08	57.29	0.10	0.40	57.40	0.40	-	57.79	2.21
23	Servers & Networks	50.49	-	-	50.49	47.97	-	-	47.97	-	-	47.97	2.52
24	Furniture & Fixtures	51.72	2.26	-	53.98	48.79	0.97	0.63	49.76	0.63	-	50.39	3.59
25	Library	0.49	-	-	0.49	0.48	-	-	0.48	-	-	0.48	0.01
26	Vehicles	538.92	8.11	-	547.03	497.38	12.42	5.30	509.81	5.30	-	515.11	31.92
	Grand Total	17,188.49	377.34	-	17,565.83	86.24	936.28	802.00	9,492.06	802.00	-	10,294.06	8,073.76

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Notes to financial statements for the year ended 31st March, 2019

Note : 4 (a) Financial assets

Non-current Investments

(Rupees in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Investment in equity instruments at fair value through other comprehensive income (fully paid)		
Quoted		
8,100 (31st March, 2018:8,100) equity shares of Vijaya Bank Ltd.	3.73	6.74
Unquoted		
1,25,00,000 (31st March, 2018:1,25,00,000 equity shares of M/s S.P.Y. Agro Industries Ltd	3,204.47	3,202.50
Total equity investments	3,208.20	3,209.24
Total non-current investments	3,208.20	3,209.24
Aggregate amount of quoted investments and market value thereof	3.73	6.74
Aggregate amount of un-quoted investments	3,204.47	3,202.50
Aggregate amount of impairment in the value of investments	-	-
4 (b) Loans		
Inter Corporate Loans	6,768.65	5,670.69
Total	6,768.65	5,670.69
4 (c) Other non-current financial assets		
Security Deposits with Power Distribution Corporation Ltd	671.31	586.53
Total	671.31	586.53
Note 5: Other non-current assets		
Capital Advances	1,683.72	1,684.05
Total	1,683.72	1,684.05
Note 6: Inventories		
Raw Materials	89.21	42.51
Work-in-progress	32.51	212.75
Finished Goods	6.11	89.33
Stores and spares, Chemicals, fuel and packing materials	678.90	828.98
Coal and packing materials	273.10	205.05
Coal in transit	-	370.15
Total	1,079.83	1,748.77
Note 7(a): Trade receivables		
Unsecured and considered good*	2,274.36	2,722.86
Unsecured and considered doubtful	480.32	120.42
	2,754.68	2,843.28
Impairment Allowance (allowance for bad and doubtful debts)**	(388.37)	(120.42)
Total trade receivables	2,366.31	2,722.86

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*(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 :

Aging:	Expected credit loss As at 31st March, 2019
Within Credit period :	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%

Aging of receivables	(Rupees in Lakhs)	
Particulars	As at 31st March 2019	As at 31st March 2018
Within credit period	-	183.88
Upto 60 days past due	6.49	88.80
61-90 days past due	0.45	113.68
91-180 days past due	213.71	223.51
more than 180 days past due	2,534.02	2,233.40
Total trade receivables (before impairment allowance)	2,754.67	2,843.28

Movement in Expected Credit Loss Allowance :	(Rupees in Lakhs)	
Particulars	As at 31st March 2019	As at 31st March 2018
Balance at beginning of the year	120.42	100.00
Movement in Expected Credit Loss Allowance on trade receivables calculated at lifetime expected credit losses	267.95	20.42
Balance at end of the year	388.37	120.42

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Note 7(b): Cash and cash equivalents		
(Rupees in Lakhs)		
Particulars	As at 31st March 2019	As at 31st March 2018
Balances with banks in Current Account	12.08	26.19
Cash on hand	0.63	13.12
Total	12.71	39.31
Note 7(c): Bank balances other than Cash and cash equivalents		
(Rupees in Lakhs)		
Particulars	As at 31st March 2019	As at 31st March 2018
Balance with Banks in Margin Money/Fixed Deposits for LC/BG	41.93	34.23
Total	41.93	34.23
Note 7(d): Loans		
(Rupees in Lakhs)		
Particulars	As at 31st March 2019	As at 31st March 2018
Inter Corporate loans	2,642.05	2,307.47
Total	2,642.05	2,307.47
Note 7(e): Other current financial assets		
(Rupees in Lakhs)		
Particulars	As at 31st March 2019	As at 31st March 2018
Property of land under development	60.78	77.14
Tender/Security/Telephone Deposits	101.62	102.64
Interest Receivable	39.78	38.28
Total	202.18	218.06
Note 8: Other current assets		
(Rupees in Lakhs)		
Particulars	As at 31st March 2019	As at 31st March 2018
Advance to Suppliers	380.73	51.95
Advance to Employees	7.09	18.93
Advance to Contractors & Transporters	0.06	8.14
Prepaid Insurance and other Expenses	18.45	18.79
Advance Excise Duties/CENVAT/VAT/Service tax	228.45	259.65
Other Advances	86.22	88.08
Total	721.00	445.55
Note 9 : Current Tax Liability		
(Rupees in Lakhs)		
Particulars	As at 31st March 2019	As at 31st March 2018
Provision for income tax	415.38	247.00
Advance tax & TDS	106.62	277.87
Closing balance	308.76	(30.87)

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

(In Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
(a) Authorised Share Capital : 1,85,00,000 Equity Shares of Rs.10/- each (as at 31st march 2018 1,85,00,000 Equity Shares of Rs.10/- each)	1,850.00	1,850.00
(b) Issued: 1,68,66,739 Equity shares of Rs.10/- each issued (as at 31st march 2018 1,68,66,739 Equity Shares of Rs.10/- each)	1,686.67	1,686.67
(c) Subscribed and fully paid 1,68,61,199 Equity shares of Rs.10/- each fully paid (as at 31st march 2018 1,68,61,199 Equity Shares of Rs.10/- each)	1,686.12	1,686.12
(d) Subscribed & Not Fully Paid (forefeited) 5,540 Equity shares of Rs.10/- each (as at 31st march 2018 5,540 Equity shares of Rs.10/- each)	0.30	0.30
Total	1,686.42	1,686.42

Reconciliation of the number of equity shares outstanding

(In Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
At the beginning of the year	168.61	160.18
Add: Issued during the year	-	8.43
At the end of the year	168.61	168.61

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)

Name of the Share Holder	As at 31st March 2019		As at 31st March, 2018	
	No. of Shares	% of holding	No. of Shares	% of holding
S.P.Y. Reddy	17.31	10.27%	17.31	10.27%
S. Sreedhar Reddy	20.76	12.31%	20.76	12.31%
V. Suresh	18.78	11.14%	18.78	11.14%
S. Parvathi	9.72	5.76%	9.72	5.76%
S. Sujala	11.43	6.78%	11.43	6.78%
V. Aravinda Rani	10.73	6.36%	10.73	6.36%
	88.73	52.63%	88.73	52.63%

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.

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Notes to financial statements for the year ended 31st March, 2019

10(b) Other Equity

(Rupees in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
(i) Share premium	1,570.57	1,570.57
(ii) Capital Redemption Reserve	74.19	74.19
(iii) Retained earnings	(9,645.70)	(2,906.40)
(iv) Reserve for items of Other Comprehensive income	(1,792.65)	(1,791.61)
(v) Money received against share warrants	-	-
Total	(9,793.59)	(3,053.25)

(i) Share premium

(Rupees in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Opening balance	1,570.57	941.56
Issue of equity shares by exercise of share warrants	-	629.01
Closing balance	1,570.57	1,570.57

(ii) Capital Redemption Reserve

(Rupees in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Opening balance	74.19	74.19
Add: Transfer from Surplus in Statement of Profit & Loss	-	-
Closing balance	74.19	74.19

(iii) Retained earnings

(Rupees in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Opening balance	(2,906.40)	237.36
Net profit for the period	(6,739.30)	(3,143.76)
Closing balance	(9,645.70)	(2,906.40)

(iv) Reserve for items of Other Comprehensive income

(Rupees in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Change in fair value of FVOCI - equity instruments(Net of taxes)		
- Opening balance	(1,791.61)	(1,862.40)
- Net gains/(losses) on FVTOCI equity securities during current year	(1.04)	70.79
Closing balance	(1,792.65)	(1,791.61)

(v) Money received against share warrants

(Rupees in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Opening balance	-	713.31
Shares allotted during the year	-	(713.31)
Closing balance	-	-

63rd ANNUAL REPORT 2018-19**Note 11(a): Long Term Borrowings**

(Rupees in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Non-current borrowings		
Secured		
a) Hire Purchase Finance :		
For purchase of Equipment and Vehicles under hypothecation	8.48	3.67
b) 14% Rated, Secured, Listed, Redeemable Non Convertible Debentures of Rs. 10,00,000/- each (NCDs):	-	-
787 Nos of Debentures issued to EW India Special Assets Fund Pte Limited	4,479.83	6,611.56
191 Nos. of Debentures issued to E-Cap Equities Limited	1,087.23	1,604.58
Total	5,575.54	8,219.81

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

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%."

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 2019	As at 31st March 2018
Trade Deposits from dealers	217.49	211.08
Caution Deposits from contractors	11.47	11.47
Advances against staff quarters (pending for final settlement)	78.15	78.15
Other liabilities	100.80	100.80
Interest Accrued and payable after 12 months	2,466.27	1,683.87
Total	2,874.18	2,085.37

Note 12: Deferred Tax Liability

(Rupees in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Opening balance	-	-
Less: Deferred liability reversed on consideration of prudence		
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 2019	As at 31st March 2018
Advances against Joint Development of Property	345.08	491.86
Total	345.08	491.86

Note 14 (a) Current borrowings

Particulars	As at 31st March 2019	As at 31st March 2018
Secured From banks		
Cash Credits	2,774.17	2,444.69
Total	2,774.17	2,444.69

During the year there are defaults in payment of interest on cash credits of Rs. 392.08 Lakhs.

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.

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Note 14(b): Trade payables	(Rupees in Lakhs)	
	As at 31st March 2019	As at 31st March 2018
Particulars		
Trade payables*	3,004.70	2,445.95
Total	3,004.70	2,445.95

*(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)	
	As at 31st March 2019	As at 31st March 2018
Particulars		
Secured		
Current maturities of long term debt*	4,266.64	1,749.43
Interest overdue on NCDs Payable within 12 months**	2,798.39	1,026.42
Un Secured		
Preference share capital	19.30	19.30
Caution Deposits from Dealers/Employees payable on demand	40.48	48.02
Employees Salaries, Bonus and P F recoveries and contributions	1,241.00	926.30
Power Charges and Other expenses payable	5,673.14	3,254.62
Total	14,038.95	7,024.09

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:

Particulars	(Rupees in Lakhs)	
	Principal	Interest
IIFL (Jan'19 to Mar'19)	11.62	2.25
IIFL (Nov'18 & Dec'18)	24.70	-
Total	36.32	2.25

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

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

The details of overdue amounts of the Company's borrowings are as follows: **(Rupees in Lakhs)**

Particulars	Principal	Interest	Principal	Interest
EW India Special Assets	Aug 18-Feb 19	Oct 17-Mar 19	1,180.50	2,236.86
E-Cap Equities Limited	Aug 18-Feb 19	Nov 17-Mar 19	286.50	561.53
Total			1,467.00	2,798.39

Note 15: Other current liabilities

Particulars	(Rupees in Lakhs)	
	As at 31st March 2019	As at 31st March 2018
Statutory Dues	7,519.14	6,578.48
Advances from customers	726.47	1,230.77
Other Advances from Transporters/Creditors	11.74	10.74
Total	8,257.35	7,819.99

Note 16: Revenue from operations

(Rupees in Lakhs)

Particulars	Current Year	Previous Year
Sale of products	6,897.75	16,606.56
Freight and other Receipts	45.86	-
Excise duty / GST	-	848.30
Total	6,943.61	17,454.86

Note 17: Other income

Particulars	Current Year	Previous Year
Interest on Bank and other deposits and income tax refund	80.97	53.44
Interest on Inter corporate loans and advances to related parties	1,174.70	1,355.74
Dividend Income	0.10	0.12
Scrap Sales	24.93	75.27
Rent Receipts	4.14	3.82
Other Receipts	-	11.20
Write of old dues	-	83.74
Total	1,284.84	1,583.33

Note 18: Cost of materials consumed

(Rupees in Lakhs)

Particulars	Current Year	Previous Year
Consumption of raw materials	992.61	4,000.35
Consumption of packing materials	414.44	731.69
Total	1,407.05	4,732.04

(Refer Note No. 34 for details of consumption)

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Note 19: Changes in inventories of finished goods, work-in-progress and stock-in-trade		
(Rupees in Lakhs)		
Particulars	Current Year	Previous Year
Closing Stock		
Finished Goods	6.11	89.33
Stock-in-process	32.51	212.75
Scrap & Disposables	-	-
Total Closing Stock	38.62	302.07
Opening Stock		
Finished goods	89.33	207.28
Stock-in-process	212.75	440.80
Scrap & Disposables	-	25.00
Total Opening Stock	302.08	673.08
Total changes in inventories of work-in-progress, stock-in-trade and finished goods	263.46	371.01
Note 20: Employee Benefit Expense		
(Rupees in Lakhs)		
Particulars	Current Year	Previous Year
Salaries, Wages, Bonus and Allowances	923.76	1,163.35
Contribution to Provident Fund	41.64	39.14
Gratuity payment	1.01	17.62
Staff Welfare expenses	239.48	263.11
Total	1,205.89	1,483.22
Note 21: Finance cost		
(Rupees in Lakhs)		
Particulars	Current Year	Previous Year
Interest expenses		
On Working capital cash credits and adhoc loan	484.66	381.69
On Hire Purchase Loans	48.76	52.39
Interest on Debentures	2,652.63	2,446.70
Others	969.85	497.73
Other Borrowing cost:		
Renewal fees for Cash credits	8.79	11.18
Total	4,164.69	3,389.69

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Note 22: Other Expenses		
(Rupees in Lakhs)		
Particulars	Current Year	Previous Year
Consumption of stores and spares	269.55	437.78
Rent including Lease Rents	0.24	0.58
Insurance	28.09	9.34
Repairs & Maintenance		
a) Buildings	-	-
b) Plant & Machinery	353.21	623.62
c) Others	47.17	87.32
Rates & Taxes and service tax	55.27	75.79
Excise duty on captive consumption/Stocks	-	72.61
Travelling and conveyance	25.26	40.66
Printing and stationery	3.89	3.23
Postage Telegrams and Telephones	3.94	5.09
Remuneration to Managing Director	18.00	18.00
Directors Travelling	-	0.76
Remuneration to Auditors		
Audit and Tax Audit Fee	3.00	3.00
Audit Expenses	0.32	0.24
Cost Audit Fee	0.50	0.50
Advertisement	1.09	3.06
Legal & Professional Fee and Expenses	29.98	76.10
Bank Charges	5.88	34.76
Provision for ECL	267.95	20.42
Other Expenses	50.78	32.44
Vehicle Maintenance	10.72	14.72
Donations	-	0.70
Swachh Bharat/Krishi Kalyan cess	-	6.24
Expenses/Income relating to Earlier Years	191.24	57.78
Selling Expenses		
VAT/CST and Interest on Sales Tax	116.88	-
Freight outward and forwarding expenses	716.81	1,885.17
Discounts and price differences	321.29	350.46
Other Selling expenses	16.68	25.87
Total	2,537.74	3,886.24
Note 23: Exceptional items		
(Rupees in Lakhs)		
Particulars	Current Year	Previous Year
Profit on sale of property	137.10	26.24
Total	137.10	26.24

PANYAM CEMENTS & MINERAL INDUSTRIES LIMITED

Note 24: Tax expenses		
(Rupees in Lakhs)		
Particulars	Current Year	Previous Year
Current tax on profits for the year	242.77	-
Income tax expenses	242.77	-
The income tax expense for the year can be reconciled to the accounting profit as follows :		
(Rupees in Lakhs)		
Particulars	Current Year	Previous Year
Current tax on profits for the year :		
Profit / (Loss) for the Year	(6,496.53)	(3,143.76)
Applicable tax rate under normal provisions of income tax	34.608%	34.608%
Tax payable under normal provisions as per applicable rate	(2,248.32)	(1,087.99)
Increase/(decrease) in tax amounts on account of:		
Depreciation as per books	277.56	324.03
Disallowance	641.02	641.02
Income considered separately	(47.45)	(9.08)
Depreciation as per Income Tax act, 1961	(261.09)	(261.09)
Long term capital gains		6.05
Ind AS adjustments	755.66	332.33
MAT credit adjustment under 115JAA	-	-
Total adjustments	1,365.70	1,033.26
Tax payable*	-	-
Income tax expense recognised in statement of profit and loss	242.77	-
*There is loss during the year and no tax expense for the Company. But tax expense relating to earlier years provided as per orders.		
Note 25: Other Comprehensive Income (OCI)		
(Rupees in Lakhs)		
Particulars	Current Year	Previous Year
Net gains/(losses) on FVTOCI equity securities	(1.04)	70.79
Tax effect	-	-
Total	(1.04)	70.79
Note 26: Earning Per Share (EPS)		
(Rupees in Lakhs)		
Particulars	Current Year	Previous Year
EPS		
Net Profit After Tax available for Equity Shareholders	(6,739.30)	(3,143.76)
Weighted Average Number of Equity Shares of Rs.10/- each	168.61	168.611
Basic Earning per Share	(39.97)	(18.65)
DPS		
Net Profit After Tax available for Equity Shareholders	(6,739.30)	(3,143.76)
Weighted Average Number of Equity Shares of Rs.10/- each	168.61	168.61
Diluted Earning per Share	(39.97)	(18.65)

27. Contingent Liabilities and Commitments:		Rupees in Lakhs	
Sl.No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
1	As a signatory to the Memorandum of Cement Allocation and Co ordinating Organization	1.00	1.00
2	Guarantees given by the Bankers/Letters of Credit (Net of margin money paid)	51.37	62.69
3	Corporate guarantee given to SIPCOT for the financial assistance availed by M/s. Cheran Cement Limited (liability as on 30.04.2013 as per Recall Order dt. 24.5.2013)	3,174.79	3,174.79
4	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	10842.05	12,635.47
5	Arrears of dividend on "C" Cumulative Preference shares held by institutions, being not redeemed and requested for extension of time	54.00	51.30
6	Estimated amount of contracts remaining to be executed on capital account (Net of advances)	1,332.75	1,332.75
7	Claims against the Company not acknowledged as debts being disputed and pending in appeals:		
(i)	CENTRALEXCISE:		
a)	CENVAT credits availed and utilized were subsequently disallowed by the Department and differential duty on Imported Coal and are pending in Appeals or before CESTAT or High Court of Andhra Pradesh.	439.20	854.91
b)	Differential Duty on Cement supplies made to direct parties, the Company has contested in appeals and are pending before the Commissioner of Appeals or CESTAT/or A.P High Court/Supreme Court. (paid under protest Rs.12.56 lakhs)	1438.23	476.58
c)	Interest and Penalties levied upto 31.5.2018 on belated payments of Excise Duty and Service Tax for the period from July 2012 to June 2017 was Contested and filed writ petition before the Hon'ble High Court of Andhra Pradesh.	2449.70	Nil
(ii)	ELECTRICITY MATTERS:		
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
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
(iii)	INCOME TAX MATTERS		
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 of Rs. 3309.50 lakhs including Interest upto 31.3.2014. The company contested the demand before the Commissioner of Income Tax Appeals, Hyderabad and the appeal was disposed in favour of the company vide order dated 12th February, 2018. The Department filed second appeal before Appellate Tribunal, Hyderabad and the matter is pending before Tribunal	Nil	Nil
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, of Rs. 979.77 lakhs including Interest upto 31.3.2016. The company contested the demand before the Commissioner of Income Tax Appeals, Kurnool. The Commissioner disposed the appeal in favour of the Company vide Order dated 9.1.18 The Assessing Officer filed second appeal before the ITAT, Hyderabad and it is pending.	Nil	Nil

PANYAM CEMENTS & MINERAL INDUSTRIES LIMITED

Sl.No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
c)	The Assessing Officer (Asst. Commissioner of Income Tax, Kurnool) has re opened the assessment for the assessment year 2009-10 under section 147 of the Income Tax Act and raised demand for Rs.4702.73 lakhs including Interest upto 31.12.2017. The Company contested the demand before the Commissioner of Income Tax Appeals, Kurnool and the Commissioner disposed the appeal in favour of the Company vide Order dated 5.7.18. The Assessing Officer filed further appeal before the ITAT, Hyderabad and it is pending.	Nil	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 147 of the Income Tax Act and the company contested the demand before the Commissioner of Income Tax Appeals, Kurnool and the Appeal is pending for disposal.	174.89	174.89
e)	The Assessing Officer (Asst. Commissioner of Income Tax, Kurnool) has raised the demand for Capital Gain Tax for the Assessment Year 2013-14 of Rs.1768.67 lakhs including Interest upto 31.3.2016 The company contested the demand before the CIT (Appeals), Kurnool. The Commissioner disposed the appeal in favour of the Company. The Asst. Commissioner of Income Tax, Kurnool filed second appeal before the Appellate Tribunal, Hyderabad. The company filed the cross objections before ITAT on 23.8.2018 and the matter is pending.	Nil	1768.67
iv)	COMMERCIAL TAX MATTERS		
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
b)	Penalties levied by the Commercial Tax Officer, Kurnool for non payment of tax dues before the due date. The Company requested for waiver of the penalties and during the year 2018-19 the liability was provided.	Nil	198.25
v)	The Department of Mines and Geology raised demand for penal interest from 1991-92 to 31.3.2018 on royalty dues for delay in payments and on Royalty dues for delay in payments and the Company has filed Application for waiver of Interest before the Department and Ministry of Mines, New Delhi and filed writ petition before the High Court of Andhra Pradesh contesting the demand.	1848.86	1848.86
vi)	OTHER MATTERS		
	Suits filed by the parties against the company and pending in Appeals/ Courts	120.45	120.45
vii)	Corporate Insolvency Resolution Process initiated under Insolvency and Bankruptcy Code, 2016. before The National Company Law Tribunal, Hyderabad. SKP Labs Private Limited, Hyderabad (formerly known as Sri Karthikeya Chemicals Pvt. Ltd), the buyer of the Flats under Joint Development Agreement filed a case before NCLT, Hyderabad and claimed Interest @ 24% p.a on the advance amount paid Rs. 191.00 lakhs from 21.5.2007 to 21.10.2018 of Rs. 1552.21 lakhs for delay in handing over/executing Sale Deeds as per Agreement of Sale dated. 15.3.2007 and also claimed liquidated damages of Rs.135.00 lakhs along with Interest from 5.12.2011 to 5.11.2018 of Rs.463.66 lakhs. The Company has disputed the claim and filed counter affidavit before NCLT and the matter is pending before NCLT.	2150.87	Nil

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	
		2018-19	2017-18	31.3.2019	31.3.2018
1	Sales/advances and receivable	NIL	NIL	264.23	264.23
2	Remuneration to Managing Director	18.00	18.00	45.10	32.37
3	Corporate Guarantee given to SIPCOT for financial assistance availed by Cheran Cement Limited (Liability as on 30.4.2013 as per Recall Order dated 24.5.2013.	NIL	NIL	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	(1793.42)	(665.10)	10842.05	12635.47
5	Purchases and services availed from and due to enterprises in which KMP or relatives of KMP have control / significant influence (due by parties)	9.73	811.67	(1196.00)	(1205.56)
6	Sales and services provided to and due from Associate Companies	(0.05)	2.25	12.44	12.49
7	Advances/Inter-corporate Deposits given to Associate Companies (including Interest charged)	1432.54	(1001.33)	9410.70	7978.16
8	Investment in Equity Shares of M/s. S.P.Y. Agro Industries Limited	NIL	NIL	3204.47	3202.50

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, 2019 is as follows :

(Rupees in Lakhs)

Particulars	FVTPL	FVTOCI	Amortised cost	Total
Financial assets:				
Investments				
Equity instruments	-	3,208.20	-	3,208.20
Trade receivables	-	-	2,366.31	2,366.31
Cash and cash equivalents	-	-	12.71	12.71
Bank balances other than Cash and cash equivalents	-	-	41.93	41.93
Loans	-	-	9,410.70	9,410.70
Other financial assets	-	-	873.49	873.49
Total Financial assets	-	3,208.20	12,705.14	15,913.34
Financial Liabilities:				
Borrowings	-	-	8,349.71	8,349.71
Trade payables	-	-	3,004.70	3,004.70
Other financial liabilities	-	-	16,913.13	16,913.13
Total Financial liabilities	-	-	28,267.54	28,267.54

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
Financial assets:				
Investments				
Equity instruments	-	3,209.24	-	3,209.24
Trade receivables	-	-	2,722.86	2,722.86
Cash and cash equivalents	-	-	39.31	39.31
Bank balances other than Cash and cash equivalents	-	-	34.23	34.23
Loans	-	-	7,978.16	7,978.16
Other financial assets	-	-	804.59	804.59
Total Financial assets	-	3,209.24	11,579.16	14,788.40
Financial liabilities:				
Borrowings	-	-	10,664.50	10,664.50
Trade payables	-	-	2,445.95	2,445.95
Other financial liabilities	-	-	9,109.46	9,109.46
Total Financial liabilities	-	-	22,219.91	22,219.91

PANYAM CEMENTS & MINERAL INDUSTRIES LIMITED

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 2019:

Fair value measurement using (Rupees in Lakhs)				
	Level - 1	Level - 2	Level - 3	Total
Financial assets				
Financial instruments at FVTOCI				
Investments in Quoted equity instruments				
equity shares of Vijaya Bank Ltd	3.73	-	-	3.73
Investments in Un-Quoted equity instruments				
equity shares of of M/s S.P.Y. Agro Industries Ltd	-	-	3,204.47	3,204.47
Total Financial assets	3.73	-	3,204.47	3,208.20

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

Fair value measurement using (Rupees in Lakhs)				
	Level - 1	Level - 2	Level - 3	Total
Financial assets				
Financial instruments at FVTOCI				
Investments in Quoted equity instruments				
equity shares of Vijaya Bank Ltd	6.74	-	-	6.74
Investments in Un-Quoted equity instruments				
equity shares of of M/s S.P.Y. Agro Industries Ltd	-	-	3,202.50	3,202.50
Total Financial assets	6.40	-	3,202.50	3,209.24

Reconciliation of Level 3 fair value measurements

Investment in unquoted shares irrevocably designated as FVTOCI

(Rupees in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Opening balance	3,202.50	6,867.95
Total gains/losses in other comprehensive income	1.97	(3,665.45)
Closing balance	3,204.47	3,202.50

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. 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.

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 2019	As at 31st March 2018
Total Debt*	9,842.18	9,969.25
Equity share capital	1,686.42	1,686.42
Other equity	(9,793.59)	(3,053.25)
Cummulative redeemable preference shares	19.30	19.30
Total equity	(8,087.87)	(1,347.53)
Total debt to Total equity ratio	(1.22)	(7.40)

*Total Debt is defined as secured long-term including current maturities of borrowings excluding cumulative 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.

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."

PANYAM CEMENTS & MINERAL INDUSTRIES LIMITED

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 Receivable 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
As at 31st March, 2019					
Borrowings	-	-	5,575.54	-	5,575.54
Other financial liabilities	-	-	2,874.18	-	2,874.18
Total non-current financial liabilities	-	-	8,449.72	-	8,449.72
Current borrowings	-	2,774.17	-	-	2,774.17
Trade payables	-	3,004.70	-	-	3,004.70
Other current financial liabilities	-	14,038.95	-	-	14,038.95
Total current financial liabilities	-	19,817.82	-	-	19,817.82
As at 31st March, 2018					
Borrowings	-	-	8,219.81	-	8,219.81
Other financial liabilities	-	-	2,085.37	-	2,085.37
Total non-current financial liabilities	-	-	10,305.18	-	10,305.18
Current borrowings	-	2,444.69	-	-	2,444.69
Trade payables	-	2,445.95	-	-	2,445.95
Other current financial liabilities	-	7,024.09	-	-	7,024.09
Total current financial liabilities	-	11,914.73	-	-	11,914.73
Total	-	11,914.73	10,305.18	-	22,219.91

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33. Revenue from operations or sale of goods (Net sales)					(Rupees in Lakhs)
S.No	Description of Goods	Qty in Mts.	For the year ended March 31, 2019	Quantity in Mts.	For year ended March - 31, 2018
A	Manufactured Goods				
1	Clinker	20,546	576.80	758	21.66
2	Cement	1,94,418	6320.95	4,60,841	165,84.90
	Total	2,14,964	6897.75	4,61,599	166,06.56

34. Cost of Raw Materials Consumed					
S.No.	Description	2018-19		2017-18	
		Qty in Tonnes	Value	Qty in Tonnes	Value
1	Limestone (Cement Grande) *	243317	267.14	422580	468.03
2	Laterite	8604	178.75	11754	240.96
3	Gypsum	6947	127.85	13571	240.55
4	Iron Ore	4503	68.67	9633	146.20
5	Clinker	6291	147.91	36680	845.38
6	Fly ash & Other	26018	202.29	160933	2059.23
	Total		992.61		4000.35

* represents royalty, welfare cess on own quarrying of limestone

35. Value of indigenous raw material components, spare parts and other materials consumed.						(Rupees in Lakhs)
	Description	2018-19		2017-18		
		Value	%	Value	%	
a)	Raw Materials					
i)	Indigenous	992.61	100%	4000.35	100%	
	Total	992.61	100%	4000.35	100%	
b)	Stores and Spare parts:					
i)	Indigenous	269.55	100%	437.78	100%	
	Total	269.55	100%	437.78	100%	

36. Value of imports calculated on CIF Basis				(Rupees in Lakhs)
		2018-19	2017-18	
a)	Raw Materials	Nil	Nil	
b)	Components and spare parts	Nil	Nil	
c)	Capital Goods	Nil	Nil	
	Total	Nil	Nil	

37. Earnings in foreign Exchange				(Rupees in Lakhs)
		2018-19	2017-18	
a)	FOB Value of Exports	Nil	Nil	

38. Expenditure in Foreign Exchange				(Rupees in Lakhs)
		2018-19	2017-18	
i)	Raw Materials	Nil	Nil	
ii)	Travelling Expenses	Nil	Nil	
iii)	Others	Nil	Nil	
	Total	Nil	Nil	

PANYAM CEMENTS & MINERAL INDUSTRIES LIMITED

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) ofshares 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 Three Annual General Meeting of the Company, to be held on Saturday 30th November 2019 the 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 31.03.2019.		
2.	Re-appointment of Smt V. Aravanda Rani as a Director		
3.	Appointment of M/s. K.S. Rao & Co, as Statutory Auditors of the Company.		

Signed on this _____ of November 2019

Signature of Share holders _____

Signature of Proxy holder(s) _____

Affix
Rs.1/-
Revenue
Stamp

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.

**PRINTED MATTER
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If undelivered please return to :

**PANYAM CEMENTS &
MINERAL INDUSTRIES LIMITED**

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

SAVYA ENTERPRISES, MOBILE: 9440055572